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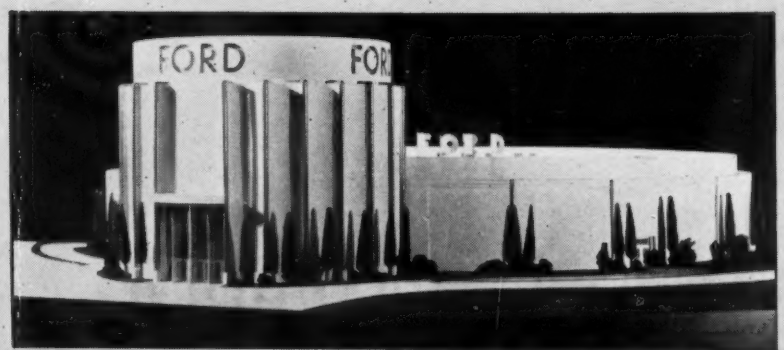
JUN 3 1

SALES man- age- ment

THE MAGAZINE OF
MODERN MARKETING

JUNE 1, 1935

TWENTY CENTS



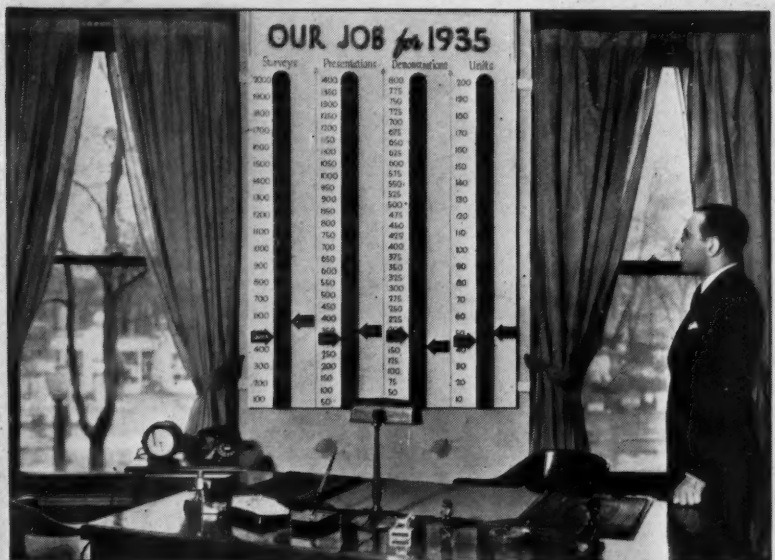
V-8 PALACE: The modernistic Ford Building at the California Pacific International Exposition is circular in plan, 300 feet in diameter, and encloses a large patio. The entrance tower shoots 88 feet into the air. Connecting with the building is a 3,000-seat amphitheatre, for symphony concerts, cut out of Ford Hill. Walter Dorwin Teague, New York, designed both building and exhibit, and Richard S. Requa, Los Angeles, was the architect and engineer on the grounds at San Diego.



OPEN-FACED: Durkee Famous Foods had a prickly problem in packaging its pickle spice. The 13 spices and seeds worked through most transparent bags, and pasteboard cartons didn't give enough display. Shellmar Products solved it with double Cellophane bags.



WATCHMAN: Frank C. Beckwith, president Hamilton Watch, reports their sales have increased each month since adoption of a selective wholesaler zone plan of distribution. Provocative story on page 670.



A Thrifty
SCOTCH JEWELER
 showed type founders
how to cut the cost
of printing

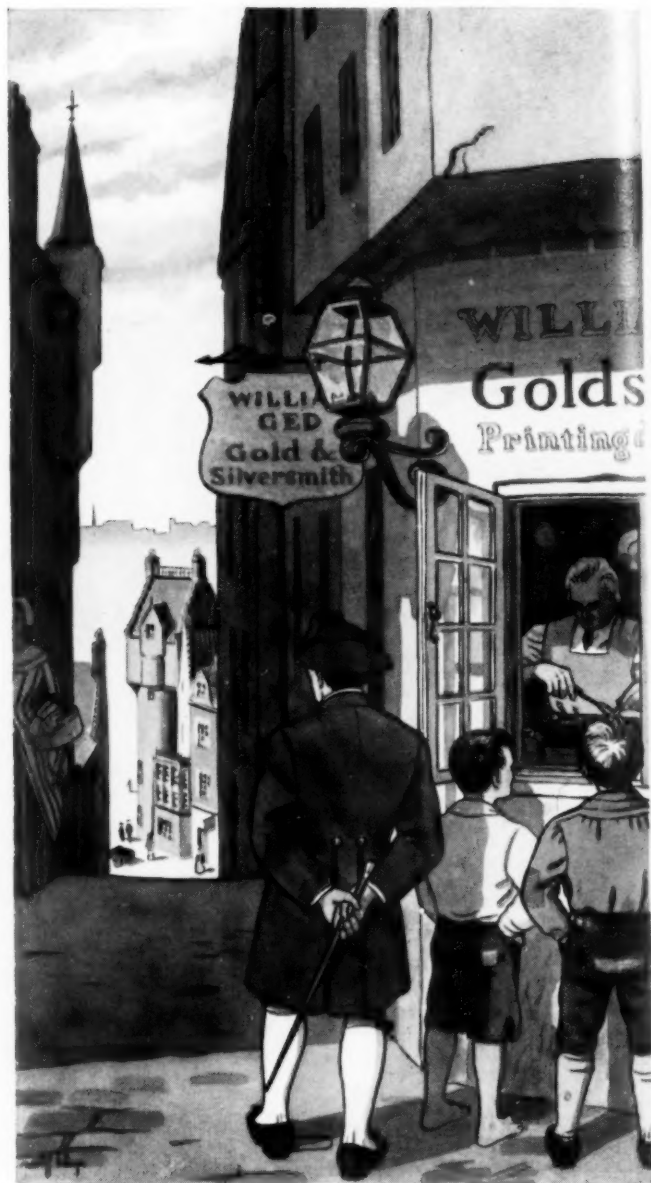
For almost three centuries after movable type was invented, buyers of printing were penalized by the primitive practice of printing directly from type forms composed of individual type characters. This made printing slow, expensive and limited. Because it meant that great masses of type had to be held until the job for which they were set was completed . . . that if any number of impressions were taken, the type characters were broken . . . and that once the type had been re-distributed no further editions of the book or magazine printed from them could be issued without going to the labor of re-setting every word.

Then in 1725 William Ged, an Edinburgh jeweler, hit upon a plan for overcoming this trouble. He made an impression of a type page on a plaster of Paris mold and used that mold to cast any number of solid printing plates that were required. This was the world's first Stereotype and it ranks among the first important factors which have made possible the speed and economy that distinguish modern printing.

Today, the most recent, important factor in making greater printing speed and economy attainable has come with the development of Kleeffect, the Perfect Printing Paper.

Kleeffect makes printing of equally high quality on both sides of the same sheet possible at far less cost than formerly because in Kleeffect two-sidedness of color and surface are eliminated for all practical purposes.

Kleeffect's color is glare-free and brings the maximum



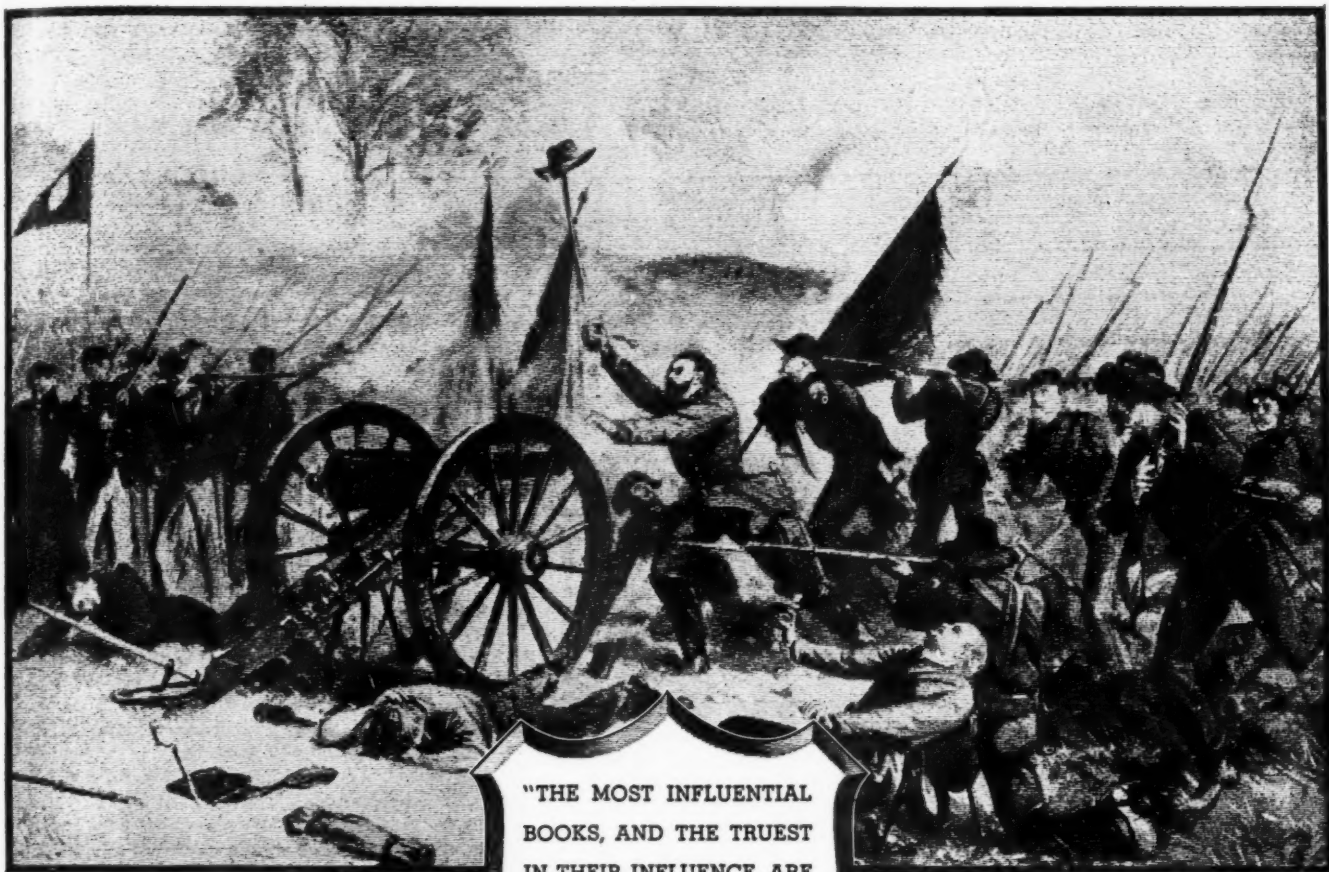
reproductive effectiveness to illustrations in one to four colors. Kleeffect's strength is gauged to the requirements of the fastest presses . . . its opacity, so unusual that it prevents show-thru of heavy solids . . . and its ink absorption is balanced to give economical coverage at high speeds.

Before you get out your next mailing, see samples of the better work this new paper—Kleeffect—makes possible—and learn the economy with which it does such work. A request to our advertising office in Chicago will bring you complete information.

Kleeffect
REG. U. S. PAT. OFF.
THE PERFECT PRINTING PAPER
MANUFACTURED UNDER U. S. PAT. NO. 1718978

KIMBERLY-CLARK CORPORATION • Established 1872 • **NEENAH, WISCONSIN**
 CHICAGO, 8 South Michigan Avenue • NEW YORK, 122 East 42nd Street • LOS ANGELES, 510 West Sixth Street

★ When the Band Plays "Dixie" ★



From a print in the collection of the New York Public Library

"THE MOST INFLUENTIAL BOOKS, AND THE TRUEST IN THEIR INFLUENCE, ARE WORKS OF FICTION", SAID ROBT LOUIS STEVENSON. "THEY RE-ARRANGE, THEY REPEAT, THEY CLARIFY THE LESSONS OF LIFE"

IN 1859, a wandering black-faced troupe needed a new "walk-around" for its end men and circle. A minstrel named Emmet wrote "Dixie".

Within five years marching men in butternut jeans sang "Dixie" from Bull Run to Appomattox. Its defiant lilt consoled Pickett's shattered remnants at Gettysburg...its rollicking words comforted cold and hungry boys in the Wilderness.

Adopted by the North at Tampa in '98, and carried by North, East, South and West to France in '17, you cannot find an American heart today that does not beat faster when the band plays "Dixie".

Vaguely we all recognize music's emotional power. Binet, the French psychologist, with intricate equipment accurately measured music's stimulating effect. He found that

martial strains materially quickened his subjects' respiration.

But in all the music that ever has been played, just as in all the fiction that ever has been written, only a little truly can be called *great*. Once in a while the emotional power of *Great Fiction* and *Great Music* is combined.

Irvin S. Cobb, in his famous "Judge Priest" stories in *Cosmopolitan*, did this effectively when the old Confederate veteran swayed a jury's decision by surreptitiously

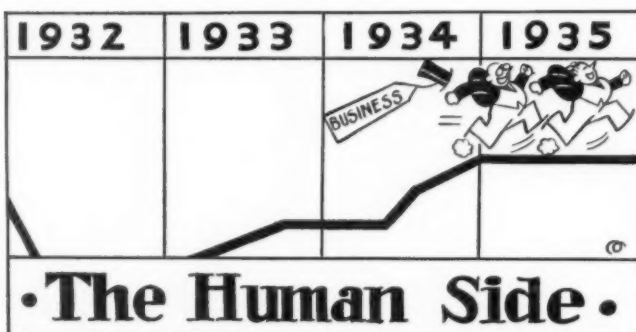
arranging that "Dixie" be played outside the courtroom windows.

Rupert Hughes, in his recent *Cosmopolitan* novel "Love Song", did it extremely well in the opinion of literary and musical critics alike.

"Love Song's" emotional stimulus provided an unequalled background for the advertising of radios, musical instruments, fine clothing, cosmetics, and all other goods and services of interest to intelligent, responsive men and women.

The most stimulating...the most profitable...background for *Effective Advertising* is *Great Fiction*. Men who sell know its power. Since, by critical appraisal, *Cosmopolitan* publishes more *Great Fiction* per issue than any other magazine, it is evident that *Cosmopolitan* is a better advertising medium.

Cosmopolitan



An Eskimo? Dun't Esk

Want to hire an Eskimo? Don't try it in New York. N. W. Ayer & Son spent two weeks trying. Net result: Al Smith was wrong when he said, "The Empire State Building casts its shaddah on every race in the world"—if Al Smith said that. Anyway, Ayer, with all its resources, couldn't hire an Eskimo.

It was this way: The script for "Red Trails," a Tuesday night radio serial for Half-and-Half tobacco, called for a couple of bursts of good guttural Eskimo. Now George Washington Hill, president of The American Tobacco Company, likes his Eskimo straight. None of this Broadway and 44th Street Eskimo for him.

So Ayer combed the circus agencies that usually can produce anything human; it combed the Grenfell Labrador mission office, Cap'n Bob Bartlett, the U. S. Coast and Geodetic Survey, Revillon Freres, The Hudson's Bay Company, the Explorers Club, et al., to no avail.

On Friday before the first Eskimo Tuesday, an "Eskimo Wanted" ad was run in three New York papers. Still no Eskimo. Came Tuesday morn and one more last frantic classified insertion, this time in *The Times*: "Reward for Eskimo—We will pay \$10 to the first one who can locate an Eskimo for us in New York City. Preferably an Innuvit, Coppermine or MacKenzie."

This produced three results: 1. Somebody telephoned from Kew Gardens and solemnly suggested that Ayer call a certain telephone number and ask for Mr. Frazer, who was a real Eskimo in need of a job. "Mr. Frazer" turned out to be a Scotch and irritated Wall Street broker, 2. Chief Grey Eagle, who furnishes Indian stooges for medicine shows, 'phoned he could produce the only Eskimo in New York at 6 o'clock that night—but he didn't. 3. The Ayer radio department along toward 7 o'clock broke out in a bright, active sweat.

Finally, at 9 o'clock, when "Red Trails" went on the air, an American who looks like a college professor, speaks eleven languages and lived a while in Siberia, had to fill the gaps so hopefully left in the script. Everybody prayed that he was talking Eskimo. But who is there to know—until the fan mail gets in along about August 14 from Angkanchukvik?

Playing With Dolls

If you surprise some high-salaried advertising executive in the act of parading a file of dolls across his desk, don't shout for help or reach for the phone. It won't be a strange form of insanity—it will be merely advertising. Because the vogue is on for marionettes, and they are making the cash register ring. And what's more, they are doing it not alone for a few "high-hat" establishments in New York, but for firms all over the country.

The developers of the idea are two young Philadelphia artists, Frank and Elizabeth Haines. Starting, in 1931, to

develop marionettes for exhibitions before clubs and parties, they soon sought a wider application, and looked around to find someone who agreed with them.

The Philadelphia Electric Company, in the Spring of 1934, arranged to have a five-minute pantomime in two acts presented in their window at Tenth and Chestnut Streets—in the heart of Philadelphia's shopping area. The purpose of the skit was to contrast the old fashioned kitchen, in which the housewife was a drudge, with the new kitchen in which "Reddy Kilowatt" (the electrical servant) does all the work. There were 42 performances a day, and at each of them Chestnut Street was jammed from the window to the curb. Later the show played at the Edison Electric Institute in Atlantic City.

Next, the Haines' marionettes performed at the New York State Fair for the Department of Agriculture and Markets on behalf of the dairy industry. "Tell the public to drink more milk," said the Department, "talk to them about the elements of milk. Then show farmers how they can benefit by cooperating with the State's milk advertising campaign."

One-act plays were presented. The first disclosed "Madame Cow" on stage dressed in royal purple and wearing a crown. Waving a magic handkerchief, she called forth the elements of milk from the Milky Way. Protein hopped out first, singing of his value to mankind to the tune of "The Man on the Flying Trapeze." Sugar, a red heart with lace edges, peppermint arms and legs, sang "Nobody's Sweetheart Now." Mineral Salts warbled to the tune of "Jingle Bells" and the Vitamin Vanities, garbed in fluffy feathers, sang and danced. Other plays showed the before and after of the life of a farmer who mended his ways and worked with the State milk program, and moralized, in story-book style, on the value of drinking milk.

The same shows were put on in New York department stores and public schools, with audiences, both juvenile and adult, numerous and enthusiastic. Shell Oil has staged similar marionette playlets at Pacific Coast automobile shows.

Mr. and Mrs. Haines believe that "Marionettes cannot take the place of other advertising media. Under certain conditions, however, they can be used as a supplement to more widely circulated media. At conventions and exhibitions, particularly, marionettes entertain, and a real sales message is put over in such a way that the audience isn't aware of what is happening."

How the Bigwigs Listen

The Radio Institute of the Audible Arts—Pitts Sanborn, music critic, New York *World-Telegram*, director, and Philco Radio & Television Corporation, backer—is intended to put a bit more social and aesthetic "tone" into the radio.

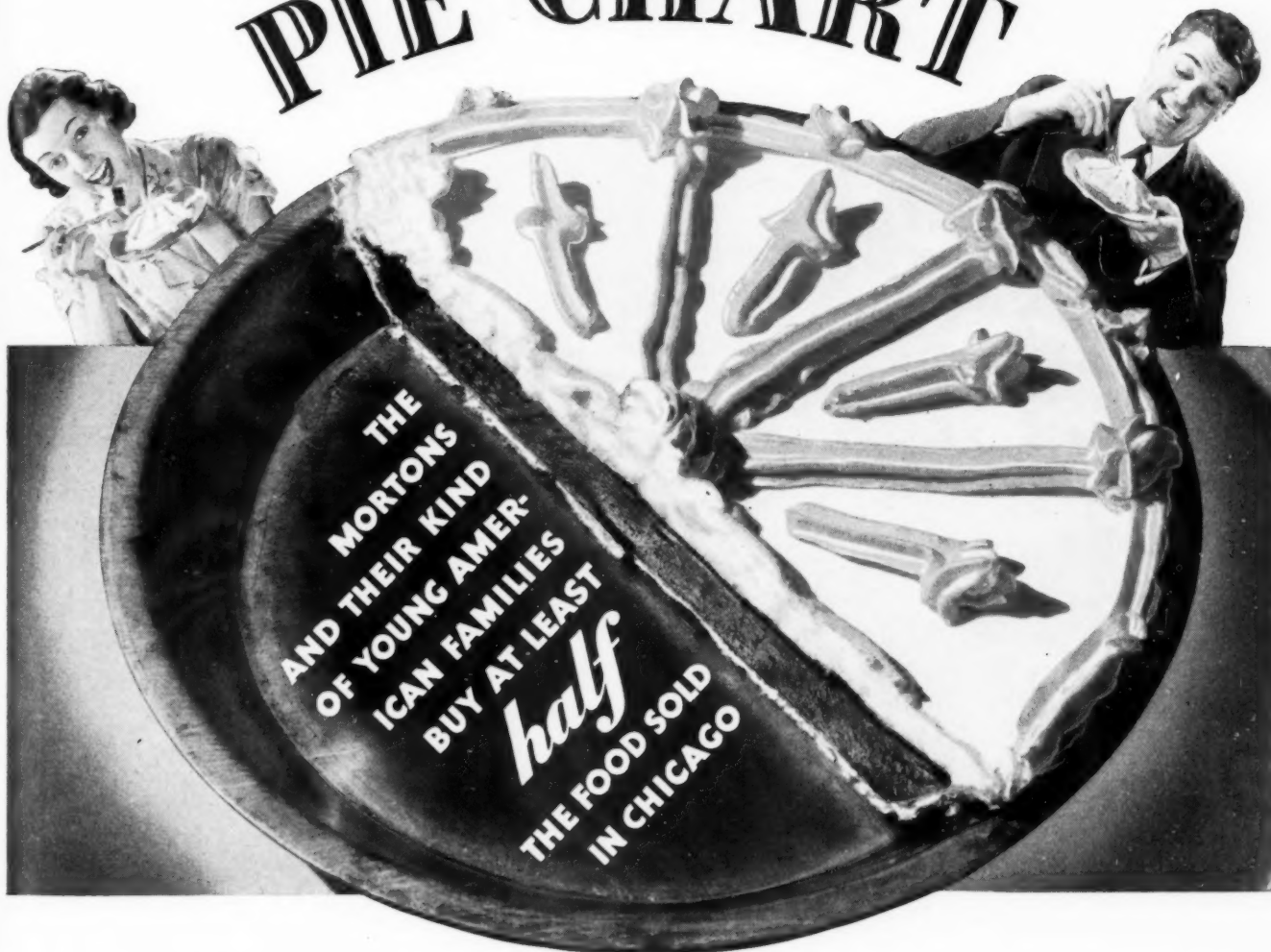
Guiding spirit of it is Edward L. Bernays, who believes that the way to sell the masses anything is to get the active cooperation of the classes toward that end, and then to form an "institute" so it will look official.

A few weeks ago Mr. Sanborn asked 57 recognized leaders in various fields which programs they preferred. The group included Mrs. James Roosevelt, mother of the President; musical people like Ernestine Schumann-Heink, Rosa Ponselle, Giovanni Martinelli, Arthur Bodanzky; Grace Morrison Poole, president, General Federation of Women's Clubs; Booth Tarkington, Gertrude Atherton, Thornton Wilder, Julia Peterkin and other novelists; Dr. Morris Fishbein, editor of the American Medical Association's Journal; Secretary of Commerce Roper; James Montgomery Flagg, Cecil B. DeMille, Robert L. Ripley;



Puppet Pa Farmer discusses the milk business with his wife.

the MORTONS' OWN PIE CHART



CHICAGO is the second largest food market in America. The place of the Chicago American in this market is at the head of the table—the most important single food medium in Chicago. Look at the pie chart above: American readers buy at least half the food sold in Chicago. And look at the Mortons. They're typical of the American's special kind of circulation.

Quantity of circulation is important to the food advertiser: The American has the largest evening circulation in town. Quality of circulation is equally important: The American is read by young men and women like the Mortons—with children living at home. This kind of "growing family" ob-

viously consumes more food per family than any other type.

No other paper in Chicago has so much concentrated circulation among men and women in their 30s and 40s as the American. We've built this circulation, over a period of years, by an editorial policy that appeals to young, active readers—the facts of life, whether pleasant or not, tersely presented, dramatically illustrated. Today it is the most responsive circulation in Chicago. No food advertiser can do a real job without the Mortons and their kind of nice young American families. Make no mistake: Chicago is a two-paper town—and the American is Chicago's No. 1 evening newspaper.

CHICAGO AMERICAN

... more Buying Power to you

NATIONAL REPRESENTATIVES: HEARST INTERNATIONAL ADVERTISING SERVICE

Rodney E. Boone, General Manager

SALES management

Vol. XXXVI. No. 12

June 1, 1935

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Published by Sales Management, Inc. RAYMOND BILL, *President*; PHILIP SALISBURY, C. E. LOVEJOY, JR., M. V. REED, R. E. SMALLWOOD, *Vice-Presidents*; T. J. KELLY, *Secretary*; F. G. FRANCIS, *Treasurer*. Publication office, 420 Lexington Avenue, New York. Telephone Mohawk 4-1760. Chicago, 333 North Michigan Avenue. Telephone State 1266. Santa Barbara, California, 29 East de la Guerra. Atlanta, Georgia, 42 Peachtree Place, N. E. Subscription price, \$4.00 a year. Canada, \$6.50. Member Audit Bureau of Circulation, Associated Business Papers, Periodical Publishers Institute.

artists, governors, psychiatrists, sociologists, manufacturers.

The New York Philharmonic Orchestra, over CBS, but unsponsored, was first with 32 votes. After that came three "reporters"—Edwin C. Hill, 19; Philco's own Boake Carter, 18, and Lowell Thomas, 17. The Metropolitan Opera series lately sponsored by Lambert Pharmacal, was fifth, with 16. Then came "March of Time," 13; Alexander Woolcott, 12, and Lawrence Tibbett and Jack Benny tied with 11 each. Rudy Vallee got 10.

Cosmopolitan tastes of bigwigs are further shown by the fact that Burns & Allen, General Motors Symphony and Will Rogers were equally popular, with 8; and Ford Motor's Symphony tied with Amos 'n' Andy, 7. Then came Chesterfield's program. The only other programs to receive more than four votes were "An American Fireside" and "You and Your Government", but about 70 received at least one, and there were 47 other mentions of "miscellaneous program types, unidentifiable or non-network artists."

Jim's Fault

The other day Paul V. Barrett, advertising director of International Correspondence Schools, Scranton, announced that every dollar spent in advertising by ICS in the last 40 years, all of it employing coupons, had brought an average return of \$16 in new business. Throughout this period N. W. Ayer & Son has been the agency. ICS, founded in 1891, now has 4,000,000 men and women enrolled.

We asked Mr. Barrett which appeal has been most potent. He dug out three which, in order of potency, were, 1. "Don't tell me you never had a chance;" 2. "The only man who could talk to the supt.," and, 3. "Seldom see an ICS graduate out of a job."

"The original versions of "Don't tell me," Mr. Barrett said, "dates back to 1915, and up to very recent years did a good job for us whenever scheduled. The appeal is so fundamental, the illustration so striking, putting over the idea so quickly, that with slight change of faces, locale, etc., I think it would continue to pull for us at any time and under any condition."

The adjoining version, which appeared December 26, 1923, told about a certain "Jim" who replied, "Aw, forget it," when his partner at the bench saw an ICS ad and suggested that they both do something about it.



Ringin' the Changes on Chains

Chain letters, guaranteed to lift us by our own bootstraps into the affluent class, are falling apart. The craze is dying rapidly. At its height, everybody who wasn't writing a chain letter, on the boss' stationery, was ripping open envelopes containing dimes. Price Motor Company, Ford dealers of Ottawa, Kansas, patterned an ad in the Ottawa Herald after the popular send-a-dime epistles, with chuckles and service business resulting.

The ad started off by a listing of five names, "U. B. Sorry, I. Will Wrek, Pete Bumps," etc., under the headline, "Chain Letter Poverty Club." Then followed:

"This letter was started in the hope of bringing you a lot of mail and bringing prosperity to the Post Office Department. Make five copies, erase all names but your own, park your car by a fire hydrant and wait until five of your friends butt your fenders. Phone 1520 and in about three minutes your call will be at Price's Service Department on the road to Recovery. If you keep the faith, you should receive 15,625 miles of trouble-free driving, also 10 cents, a used pancake turner and a last year's bird's nest (or facsimile). Is this idea worth a dime? If so, after the wreck phone 1520."

The Price Motor Company deserves a shiny new dime for nimbly blending satire, selling and timeliness.

Significant Trends

As seen by the Editors of Sales Management for the fortnight ending June 1, 1935:

Buttercups and Blue Bonnets

Our good friend and subscriber, W. V. Ballew, sales manager of the Dr. Pepper Company, Dallas, Texas, writes a tonic letter about conditions in the West and Southwest, which we recommend particularly to those subjected to the gloomy prophecies of so many Eastern industrialists.

"The drought is definitely broken, even the Colorado dust bowl being flooded at this writing. All Oklahoma, practically all of Kansas, and every foot of Texas, including the drought-stricken Panhandle, being thoroughly soaked—in fact, flooded—in many areas. Virtually the entire Southwest is a flower garden; hillsides are covered with a profusion of wild larkspur, Indian paint brush, black-eyed susans, daisies, buttercups, blue bonnets, and goodness knows how many more varieties—indicating conclusively plenty of ground moisture. In the Southwest, when there is an abundance of wild flowers, excellent crops usually follow.

"Yesterday I attended a meeting in Abilene of the West Texas Dr. Pepper's Bottlers' Association. Never before have I seen such enthusiasm; and this spirit is manifest throughout our entire bottling organization, now numbering 250 agents who employ approximately 1,200 route salesmen. This huge organization is ready for the biggest beverage season in its history, and I think I am safe in forecasting a record in volume and a record in earnings for Dr. Pepper in 1935. *Nothing short of a national catastrophe is going to stop me in the program this year, and the stage is all set for a record-breaker.*"

● ● ● We reproduce Mr. Ballew's comments because we believe that he senses a spirit of unconquerable optimism which is more widespread than most of us realize. The farm and small town areas were submerged, in comparison with the industrialized centers, during most of the twenties, and the early part of the depression. Now those directly or indirectly dependent on the soil for a living are staging a comeback which marketing executives should capitalize upon.

● ● ● We all know of the big gains made in farm sections last year, but 1935 is a far better year. Government figures show that sales of general merchandise in small towns and rural areas for April were 37% higher in dollar volume than in the same month last year, and were 64% above the same month of 1933. April sales in rural areas were 101% of the 1929-1931 monthly average.

● ● ● SALES MANAGEMENT is sending a field editor on a transcontinental motor trip to report on conditions. He will visit 24 state capitals, large and small, and scores of other cities. His first field report will be published in the issue of June 15.

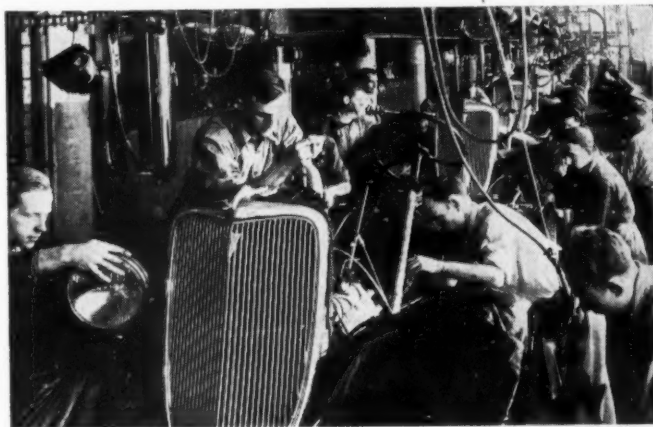
● ● ● According to the Irving Fisher Index of Business Conditions, there is less of a slowing down than most people expected for this time of the year. As of May 20, conditions compared favorably with those of April.

● ● ● The Bureau of Labor Statistics shows that there was a gain of 122,000 in industrial employment last month, the fifth consecutive gain. Especially notable was the gain in the durable good industries, where both employment and payrolls were at a peak since the Spring of 1931.

● ● ● The building uptrend is continuing—particularly in residential construction. In New York, estimates for the cost of new buildings filed with the city authorities in the first four months of the year, for Manhattan, are three times the corresponding totals for a year ago. In greater New York, building projects calling for an outlay of more than \$29,000,000 were placed on file. For the full year of 1934 less than \$19,000,000 was appropriated for building operations.

● ● ● Improvement in business is reflected in the tax receipts of the government. March collections were \$557,304,493, as against \$390,352,846 in the same month last year.

● ● ● Excise taxes on domestic distilled spirits are up 50%. Likewise domestic wines. Receipts from beer jumped 25%; cigarette taxes reached an all-time high, and



Ewing Galloway

These and 126,000 other employees of the Ford Motor Company, of whom 81,000 are Detroiters, are now able to increase their purchases because of the \$6 a day minimum pay scale which the company has restored. Minimum wage earners are not the only ones to profit. Many of the wage brackets above the minimum were given hourly rate advances ranging from 5 cents upward. . . . Henry Ford is said to have paid his workmen a total of \$623,000,000 in the last 20 years over and above what the company needed to have paid had it followed the general wage scale. . . . The Ford Motor Company issues no earnings reports, but from the balance sheet of the company filed recently with the Massachusetts State Commissioner of Corporations and Taxation, it is apparent that in 1934 the company made a profit, whereas losses were shown in two preceding periods.

marked increases were shown in taxes on matches, toilet preparations, passenger cars and trucks, auto accessories, radio and phonograph records, mechanical refrigerators, sporting goods, excess profits, capital stock, estate and gift taxes.

● ● ● Receipts from income taxes jumped 40%. Among the states contributing the largest volume of income taxes, California gained 39%; Illinois, 60%; Massachusetts, 25%; Michigan, 58%; New Jersey, 24%; New York, 32%; Ohio, 51%, and Pennsylvania, 40%.

● ● ● The same favorable trend is shown in preliminary reports of April collections. Liquor taxes for the first four months total 333.5 millions, an increase of 137.7 millions over the previous year.

● ● ● New York is the sixth state to have a resale price maintenance law, generally called a junior Capper-Kelly Bill. In Iowa and Maryland bills are now awaiting the signatures of governors.

Retail Sales

For the country as a whole Dun & Bradstreet report that retail sales last week averaged 5 to 10% larger than the comparative 1934 period, despite poor weather conditions.

● ● ● The upward trend of farm equipment sales shows no sign of abatement. A *Collier's* field investigator made a survey of 13 Twin Cities dealers in large lines of farm equipment, and found only one able to name a delivery date on tractor orders. All dealers stressed the fact that farmers are paying cash in the majority of cases.

● ● ● Well, it is no wonder farmers are buying; \$12 hogs were quoted in the Chicago Stock Yards on May 21. Only six times in the history of the Yards have hogs reached this level during May.

● ● ● The General Motors Fleet Sales Corporation reports that sales for April exceeded any single month in the history of the division.

● ● ● According to a survey made by the *Chicago Journal of Commerce*, farm liquidation is practically over with. Prices of good farms are about 25% higher than a year ago.

● ● ● Bank clearings for the week ending May 22 were 17.4% heavier than in the last 1934 period. The most substantial gains were shown in Philadelphia, Buffalo, Cleveland, Cincinnati, New Orleans, Detroit, St. Louis, Minneapolis, Kansas City, Omaha, San Francisco, Portland and Seattle.

● ● ● The Department of Commerce is making special studies from the 1933 Census of Retail Sales. A current study shows that more than 53% of the retail stores in Massachusetts had a sales volume of less than \$10,000 in 1933. Altogether, these stores accounted for only 9% of the retail sales reported for the state in that year. Of the stores in the State, 35% did less than \$5,000 volume, and 8% of the stores did less than \$1,000 of sales per store. Some of these small stores had not op-

erated for a full year when enumerated, or were regularly on a seasonal operation basis. Average sales of all stores in rural places were \$12,300, and the average for stores in urban places was \$24,000.

● ● ● The significance to marketing executives in these figures seems to be the importance of having distribution in the right kind of stores.

Barefoot Horses

The American Iron & Steel Institute, at their New York meet-

ing last week, released the fact that barefoot horses and foreign competition have combined to cut the production of American horseshoes to 8% of the 1919 volume. Horses used 87% fewer shoes last year than in 1919, and the tonnage of imported horseshoes has increased 2,500%.

● ● ● Machine tool orders are now at a peak for five years. The head of the National Machine Tool Builders' Association states that manufacturers are becoming increasingly conscious that the short work week is a permanent institution, and that successful competition can be achieved only through the maximum of efficiency which lies principally in the development of precision machines of greater productive power at lower operating costs.

● ● ● The Federal Deposit Insurance Corporation, a New Deal infant, now celebrating its seventeenth month anniversary with 14,000 banks and \$16,000,000,000 under its wing, has had to pay off on only 15 bank failings in that period.

● ● ● Another significant bank item is the fact that loans and discounts of national banks, as of March 4, showed the first increase between condition calls since October 25, 1933. Total deposits gained 1.5% since December, 1931, and 17.2% over a year ago.

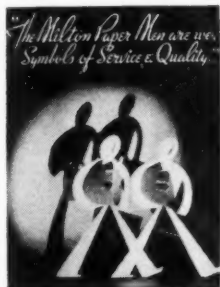
● ● ● A striking tribute to the honesty and ability of American workers was brought out in testimony the other day in a suit brought by the Clark Blade & Razor Company, which charges the Gillette Safety Razor Company and its subsidiary, Otto Roth, Inc., with conspiracy to obtain a monopoly on the sale of blades. The plaintiff claims that the Gillette Company gave orders to its Newark subsidiary to make blades "so bad that the average customer would become disgusted and would go back to Gillette," and that the Gillette Company then embarked on an extensive advertising campaign warning the public against "cheap blades" and "gyp blades," and promoting the Gillette "Blue Blades." A factory official testified that the honing device on machines was so adjusted that the blades were bound to be dull, but that great difficulty was experienced in maintaining this condition, because the factory workers were so accustomed to making good blades that automatically and without thinking they would readjust the honing device so that good blades were turned out.

● ● ● Two years ago taxes were delinquent on 237,000 out of 486,000 parcels of property in Detroit. Today that delinquency has been reduced to 31,000 and the amount of the delinquency has been cut from \$49,000,000 to \$9,500,000. City of Detroit bonds have jumped in two years from \$36 to \$98.

Reprints of Significant Trends are available at five cents each, remittance with order.

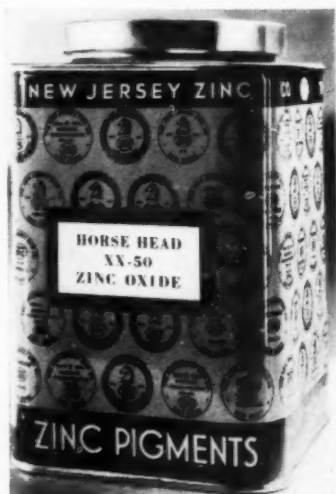


From Agency to Drugs: (Above) James L. Hutchinson, formerly with J. Walter Thompson and then with Blackett - Sample - Hummert, joins United Drug Company as advertising manager of both ad and sales promotion departments. In his spare time, he's a novelist.



Mailmen: (Left) Milton Paper Company, New York, builds a direct mail campaign to ad agencies, printers and paper buyers around these paper men. They are made entirely of paper, with their crossed legs forming the initial "M." The Walter J. Gallagher Agency is conning rhyming dictionaries, for the entire campaign, which it is handling, will be in verse. Their adventures will last a year.

Zinc Sampler: (Below) The New Jersey Zinc Company has redesigned its sample pigment containers. On the background are all of the company's labels. The space in the illustration marked "Horse Head XX," etc., is left blank on the can for the proper label.

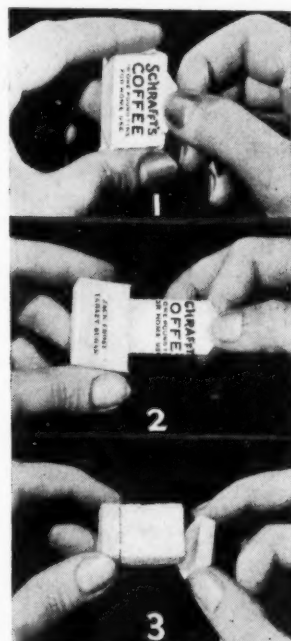


Wares and Warriors in the Sales Battle



Phillips Studio

Poor Richard: (Left) Charles H. Eyles, president of the Richard A. Foley ad agency, Philadelphia, is elected president of the Poor Richard Club of that city. He was chairman of the Philadelphia Council of the AAAA. In 1909 he started as a copywriter for the Foley firm.



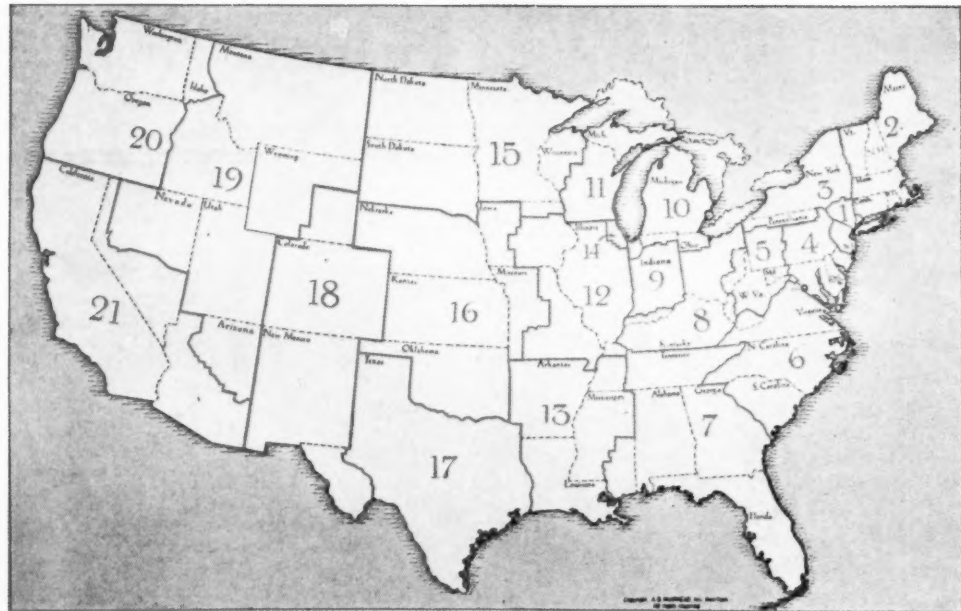
Sweet Idea: (Right) "You're the wrapping in my coffee" is out of tune since the National Sugar Refining Company's perforated wrap was introduced. A pull on the tab tears the wrapper neatly, leaving the sugar tablet free to plop into the cup. All Jack Frost individually wrapped sugar lumps for home and restaurant are to be thus clothed.



Pussyfooter: (Above) International Business Machines Corporation claims its Electromatic typewriter is the quietest on the market. Electrically operated, it enables the typist to rattle off wordage without removing the hands from the keyboard. Tabulating, spacing, etc., are all done by pressing a key.



Carpeteer: (Above) Frank H. Higgins gets the post of assistant sales manager of the Bigelow-Sanford Carpet Company. He's been with the firm since January, 1934, taking care of the creation and merchandising of the patent-back carpet line called "Bigelow Lokweave Broadloom."



Twenty-one zones: This is the way the Hamilton sales map looks since their change-over to a selective wholesaler type of distribution. From two to seven wholesalers compete in each district.

How Hamilton Regained the Support of Jobbers and Dealers

ELIMINATION of dog-eat-dog competition between wholesalers through a new selective zone distribution plan is working small miracles for the Hamilton Watch Company.

The new Zone Plan stirred comment in the jewelry industry when it was adopted in May of last year. It is even bigger news now because of the remarkable results it has brought about in reawakening the interest of jobbers and dealers in the merchandising of watches.

The Zone Plan was no lone man's inspiration, nor was it a Great Idea hastily slapped together to meet the exigencies of a depression that seemed to resemble nothing so much as a bottomless pit. It was, rather, the laborious development of a three-year program of research into the distribution troubles of the jewelry industry.

"Hamilton" has been an ace-high name in that industry for decades, its reputation having been built on its railroad watches. As purchasing power contracted after 1929, Hamilton volume dropped precipitately. With the help of a group of economic research engineers, the company set out to find out what could be done to stem the ebbing tide of sales.

BY A. R. HAHN

*Managing Editor,
Sales Management*

The job of untangling the distribution problem was complicated by the fact that Hamilton watches had always been sold through jobbers, and the company knew practically nothing about the retail situation as it was affecting their volume. Digging deeply, they found that practically all profit had been sapped out of the watch-selling business through certain vicious trade practices. Hence, jobbers and dealers alike had completely lost interest in watches and were doing no creative selling on them whatever.

Just what was happening? In the frantic effort to sustain volume, the large jobbers had gone farther and farther afield in the search for business, and had too often skimmed the cream of distant territories by giving away most of their own profit. As a result, the smaller jobbers, attempting to survive by giving service in a more circumscribed area, were hanging on only by the skin of their teeth. They were left with the poor credit risks and

the "chicken feed" business. Many were passing out altogether.

These same jobbers were garnering a large share of what little consumer business there was through the sale of watches to the so-called "industrial catalog" concerns, which offered watches and other merchandise at "wholesale" prices. Naturally, consumers were quick to recognize a name as potent as "Hamilton," and the large sales volume that went through the parasitic catalog houses struck another severe blow at the company's prestige and good will. Retail jewelers who tried to sell in competition with such price-cutting, threw up their hands. Any number of them came to the Hamilton management and said, "Can't you do something? We want to sell Hamilton watches, but we can't so long as the line is being foot-balled about as it is now."

Temporarily the Hamilton men had to admit they had no answer. But their studies had turned the spotlight on the sources of their troubles and they were beginning to evolve an entirely new idea.

They were looking at the frantic competition between jobbers. Nearly 100 were selling the Hamilton line and fighting among themselves for

what business there was available. Because so many had extended their field of operation, as many as 40 or 50 wholesalers were competing in the larger markets. In Atlanta, for example, 57 wholesalers were scrambling for the orders of the thirty-odd jewelers in that city!

It seemed clear that some fundamental changes would have to be made in the Hamilton selling plan—changes which would accomplish these ends:

1. Eliminate some of the ruinous competition between jobbers.
2. Give Hamilton a better control of retail distribution.
3. Put profit back into the handling of Hamilton watches for both wholesalers and retailers.
4. Give the smaller jobber a better break in competition with the bigger wholesaling organizations.

Details of the so-called Zone Plan were worked out, and in it, at one swoop, Hamilton took an iron grip on these problems. Ross Atkinson, director of sales, Robert Waddell, director of advertising for the company, and Lowell F. Halligan, who handled the research program, told SALES MANAGEMENT the details of this new plan, and something about the way it is working out now, after a full year's trial.

Jobbers Handpicked

Briefly, the new sales program rests on the creation of 21 "zones," from coast to coast, with a selective, semi-exclusive type of jobber distribution. Two to seven wholesalers compete for business in each of these territories.

"Thirty-nine wholesalers were picked from our list," Mr. Atkinson explains. "These were naturally the ones we considered the most aggressive houses, although not by any means did we select only big concerns. One of the real features of this plan is the 'break' it gives the little fellow.

"All special discounts to dealers are abolished under the new plan, and the wholesalers now compete solely on a basis of service, which is as it should be. Furthermore, with only 39 houses now handling the line, there's enough business to make it profitable for those who have our franchise to do a real, creative selling job.

"The zones were laid out based upon the market potential, number of dealers in the areas, and related factors," Mr. Atkinson said further. "Every wholesaler who signed up with us had to agree to certain fundamental considerations. One of these was standard terms to dealers. Another was the filing of a sales report for every working day, containing description of the merchandise sold, and source of orders.

This enables us to maintain a much more intelligent control over manufacturing operations and inventories, and, fully as important, gives us an up-to-the-minute picture of our market."

Under the zone set-up, four district managers, located in New York, Chicago, San Francisco and Lancaster, administer the details, and direct the salesmen. Field work is primarily missionary in character, with emphasis on meetings of jobbers' salesmen and merchandising of Hamilton advertising.

Where, heretofore, the salesmen had worked on a salary plus a commission on any business written during dealer calls (all of which was delivered through any wholesaler designated by the buyer), they now work on a salary and bonus contingent upon accomplishment of a good all-around sales and promotion job.

Objections Anticipated, Met

Such a job is measured not only in terms of immediate gains in total sales, but also in terms of territory standing as compared with total territory potential. Hamilton uses SALES MANAGEMENT'S Index of Spendable Money Income, correlated with all retail sales, jewelry sales, per capita jewelry sales, and number of jewelry dealers, to measure the effectiveness of actual sales performance. In this manner, territory weaknesses are readily spotted and pressure can be applied where it is most needed.

Significant of the care with which the new distribution set-up was planned is the fact that not one detail of it has been changed from the moment Mr. Atkinson and Mr. Halligan set out in February, 1934, to tell to jobbers what is perhaps the most important selling story Hamilton has ever told. So carefully had details been worked out, so carefully had every objection been anticipated, that by mid-April each selected wholesaler in the group of 39 had signed the "Letter of Designation" accepting every phase of the program. It seemed almost too good, and Hamilton officials tell today, with a smile, how they sat back waiting for the monkey-wrenches to begin falling into the machinery.

But none fell. The management, that had resigned itself to what it felt might amount to a sizable loss of sales during the period immediately following the inauguration of the plan, saw, instead, a sales curve that rose every month with amazing consistency. During the period the company had added a line of watches to sell at \$37.50, whereas none had previously been designed to sell for less than \$45. This move did have the effect of reaching

(Continued on page 709)

Sales Manager
Ross Atkinson:
He told jobbers
they must toe
the line.



Advertising Director
Robert Waddell: He
spent more for
dealer helps.



Fact-Finder
Lowell Halligan:
Hundreds
of dealers and
jobbers told him
their troubles.

By courageously taking a grip on price cutting and other trade evils and inaugurating a selective wholesaler plan of distribution, the Hamilton Watch Company pulled itself out of an all-time low in sales, and won the plaudits of the jewelry trade from coast to coast. Sales have gained every month since the new policy went into effect.

Rexall Warehousing Plan Threatens Upset in Drug Distribution

A NEW dilemma confronts the drug trade. Drug wholesalers are somewhat alarmed as to their future state. Drug manufacturers are scratching their heads and studying new distribution problems. And it is all because symptoms are abroad that the chains are about to invade the wholesaling field.

The first frightening germ of what may prove to be an infectious disease is being nourished by United Drug, Inc., which on November 1, 1934, opened in Atlanta, Georgia, a warehouse to serve their Rexall agencies in eight southern states. United Drug, in addition to operating a number of manufacturing companies which make goods to be sold to Rexall agencies, also owns and operates the Liggett Drug Stores, largest drug chain in the United States.

It was in 1902 that Louis K. Liggett, president of United Drug, decided to interest a selected list of retail druggists throughout the United States in the agency plan—that is, in the selling of Rexall or United Drug merchandise. He proceeded to choose the cream of all the independent drug stores throughout the country. By and large, these Rexall agencies prospered and, as time went on, they became outlets not only for United Drug branded merchandise, but also for stationery, rubber goods, candy, and other lines of wholly owned subsidiaries. In April 1933, these agencies numbered 8,266.

Enter Walgreen and McK. & R.

Then, in 1928, came the merger of 67 wholesale drug houses under the name of McKesson & Robbins, which somewhat changed the picture for the Rexall agent. The McKesson houses rapidly expanded their household lines. Because McKesson warehouses were located near at hand, daily deliveries to the retailer were possible. They offered long-profit merchandise to replace cat-price nationally advertised goods, as well as low freight costs. Their salesmen were aggressive and made frequent calls on the trade. As a result, they made serious inroads into Rexall volume.

In the meantime, the Walgreen chain was instituting the agency plan as a means of establishing outlets for its own branded merchandise. In choosing its agencies, Walgreen adhered pretty much to the same discrim-

BY

MARY JOY JOHNSON

inating policy of United Drug. In turn, the Chicago organization succeeded in cutting for itself a profitable slice of United agency cake. The latest reports are that Walgreen claims approximately 700 such foster children.

Thus, United Drug was faced with the problem of revitalizing its agencies. It was decided to do so by offering agents nationally advertised merchandise at wholesale prices, plus a small handling charge. The initiation of this program was the opening of the wholesaling unit in Atlanta, which, as announced by United Drug, was to make it possible for Rexall dealers who distributed the products of the United Drug Company "to enter into an arrangement whereby they may enjoy the benefits of mass purchasing power, not only by united efforts among themselves, but also with assistance from the United Drug Company."

Under the present arrangement, United Drug is taking no chances on competing with old line wholesalers in

the extension of credits, and on other services to their dealers, but is operating on the mutual or cooperative basis. The retailer must buy stock, and he is permitted to make weekly purchases of up to 80% of his stock holdings. If he does not remit for his purchases within ten days, the warehouse may hold his stock as security for his indebtedness. Thus, loss for bad accounts is automatically eliminated.

A Threat—or a Guillotine?

According to close observers in the field, the new United endeavor is proving profitable and, as a result, it is reported that a large number of new Rexall agents have been signed up. It is also being whispered in the trade that, within two or three weeks, a second such warehouse is to be opened in Chicago. If the experiment continues to succeed, similar projects are in line for other selected areas throughout the United States—Denver, Dallas, St. Louis, Boston and New York.

This wholesaling venture on the part of the organization operating the largest national drug chain confronts the drug industry with a perplexing and perturbing problem. The old line drug wholesaler senses something funeral in the chains' new theme song.

It is generally assumed that other leading chain organizations, who have experimented with agency arrangements, may be forced to render the same type of service to their own retail agencies in order to restrain them from abandoning their present franchise for a Rexall agency. And, if Walgreen, Whelan, Peoples, etc., should decide to meet the United Drug move by still further expansion of a similar service, it is possible that from \$20,000,000 to \$30,000,000 of present volume through old line channels would be diverted to the wholesale warehouses of the chains—thus provoking the eventual elimination of many wholesale units and the concentration of that branch of the industry into relatively few hands.

What is probably disturbing the old line wholesaler more than anything else is the fact that the chains are in a splendid position to be competitive. To begin with, since the introduction into the retail drug code of the dozenlot-provision, which makes all sales below the "manufacturer's list price per dozen" illegal, chain stores, with

To Arms!

First counter-attack on United Drug's invasion of the wholesale field comes from William Ochse, president of the San Antonio Drug Company, Texas wholesale house. Mr. Ochse declares that the United plan is destructive not only to the service wholesaler, but to all other types of wholesalers, national advertisers, and to many retailers. As reported by *Drug Trade News*, Mr. Ochse, a leading figure in the industry, declares:

"If the manufacturer wants to support this kind of competition against the service wholesaler, I can open a big super-store and cut hell out of his products until these products shall so smell to Heaven in the eyes of the retailer that they will cease selling them in self defense . . . If we cannot meet this competition we are going out of business. When we go out of business our credit system goes with us . . . Every night the retailers owe the service wholesalers \$150,000,000. The destructive 13% wholesaler has no such fund available to support such a credit system."

their nominal wholesale quantity discounts, have been enjoying a generous spread of profit. Then, of course, they are also the recipients of advertising allowances, volume discounts, concessions, inside prices and rebates from manufacturers, which are not always available to wholesalers.

According to the Federal Trade Commission's investigations of the chain store industry, in 1930, the Louis K. Liggett Drug Company, subsidiary of United Drug, received from manufacturers "preferential treatment" which amounted to 13.69% on its purchases of 6.9 millions of dollars. It is taken for granted within the industry that this figure does not include the "insides" upon which the F. T. C. could not put its statistical fingers.

"Spoiled Babies"

It was also pointed out by the investigation that the extra concessions delegated to the chains have been more than double those received by wholesalers. Despite the fact that the F. T. C. figures were collected during the pre-NRA era, those familiar with distribution of drug products say that the chains are still the "spoiled babies" of the industry. This is interesting, inasmuch as out of 21 codes governing the best-known products sold in drug stores, 14 include that glib provision which forbids secret rebates, discounts, concessions, unearned payments, etc. Six of those 21 codes contain no fair practice provisions. It is claimed by the chains, on the other hand, that McKesson & Robbins control more independent drug stores than comprise the entire Liggett chain proper. They state also that the wholesalers receive just as many concessions and "insides" as the chains, only they don't talk about it.

In other words, the situation is one in which United Drug's own outlets, because of the generous spread between their "cost" and the code price, are able to rake in a goodly profit. At the same time, they are offering nationally advertised items to their agents practically at "cost" and thereby reaping additional profits through the extra concessions.

According to the annual report of the United Drug Company, as issued by Mr. Liggett, there has been a 51% increase in sales volume in 1934 over 1933 in the Atlanta, Georgia, area, part of which is attributed to the opening of the company's warehouse in that district. Net profits as reported for 1934 are \$1,833,959 as compared with \$647,789 in 1933.

Many manufacturers are beginning to feel that maybe they are the "suckers." They are undoubtedly somewhat

(Continued on page 690)

The Scratch-Pad

A Congressman's life is no bed of Roosevelts.

What ever became of the indignant citizen who used to write letters to Vox Populi about the Smoke Nuisance? A shower of soft coal cinders raining down on our straw hats and Palm Beach suits would be welcome after five years of comparative smoke drought. There is no symphony sweeter than the whirl of dynamos and Corliss engines . . . no backdrop prettier than a skyline of factory stacks belching black, blinding smoke.

Since Benjamin Franklin's time, every generation of boys has gone in for kite-flying. Isn't there a hint here for the du Ponts? Handsome kites with a wind surface of colored Cellophane, complete with ball of twine, and merchandised through the five-and-dimes.



T. Harry Thompson

Title for booklet advertising silos: "Bringing Up Fodder."

An aggressive automobile dealer could shame a lot of us into parting with the old crate by sending us a snapshot of it in a little mailing-folder, with another snapshot of his new car facing it on an opposing page. Comparisons are order-ous, or something.

Old Sol can outwrite our best copy-writers. When he really bears down, we suddenly remember to "sign on the cotton line" for lighter clothing.

We are waiting for a household cleanser to break out with the statement that it "Ends the Grime Wave."

When you tackle the big city, don't let a small town background give you an inferiority complex. Charon, you recall, was just a boy from the Styx.

Good copy is like good tea . . . clear and pungent and refreshing.

In that vast and cryptic underworld of feminine fragiles, we wonder why somebody hasn't used this line: "Give this little girdle a big hand."

June is traditionally the month of brides. And, traditionally, we expect to see an advertisement showing the sweet young thing in trailing veil deserting the wedding party while she rushes to the basement and goes into positive ecstasy over a new electric washing machine. Does advertising have to be silly?

At the moment of going to press, we were unable to verify the rumor that Admiral Byrd will write a book entitled "The penguin is mightier than the swordfish."

As a public, we are curiously sloppy readers, sloppy listeners. When the peepul adopt a phrase, it is usually a garbled version of the original. Frexample, Mae West in "Diamond Lil" ("She Done Him Wrong," on the screen) did not say "Come up and SEE me some time." Unless our memory is faulty, she said "Why'n't you come UP some time?"

What the late Charlie Mack of the "Two Black Crows" said was "What's yo' idea in bringin' THAT up?" which became, in the popular version, "Why bring THAT up?" Hoover's "An experiment noble in motive" became the "noble experiment." And so on. If there be any moral in all this, it is the ancient admonition to "Keep it simple." An argument, possibly, for short headlines in advertising . . . short and very much to the point.

Klutch, we understand, is a pertinacious powder which you sprinkle over artificial dentures ("false teeth," to you, Grandma) to keep them from dragging anchor. We can't resist suggesting a slogan: "Klutch—Put it over the plate!"

Back in our boyhood, the wooden Indian was the traditional trade-scout of the tobacco industry. Why not revive him for the paint trade? He would be, obviously, "The Vanishing American."

Odora Paradichlorbenzene Motholator "Kills Moths." It ought to be a pushover after a moth reads the label.

Have you noticed the perfect epidemic of Amateur Nights recently? You can hardly turn the dial of your radio without stepping on at least three of them. It seems to this observer a natural phenomenon. Nearly every one thinks he can sing, dance, play, or write advertising copy. (The italics are ours.)

But all is not lost. The announcers, to a man, are pronouncing it "am-a-TERR" instead of "AM-a-chure."

A corsage bouquet of orange blossoms and lilies-of-the-valley and a gardenia boutonniere do not lend themselves especially to four-color photography, so Fisher Body substituted purple orchids and a blood-red carnation in the bride-and-groom page headed "Happily ever after." It took a gal to point that out to us. Boner by Fisher!

T. Harry Thompson

Every Independent Druggist to Win in Dr. West's \$60,850 Contest

"EVERY druggist who enters and does a minimum selling job wins a valuable prize," the Western Company, Chicago, has told the 52,000 independent retail druggists in the country, in announcing a contest for Dr. West's toothpaste, with 9,718 merchandise prizes valued, all told, at \$60,850.

The contest will run from June 15 to September 15. Only independent retail druggists may participate. If more than 9,718 of them do, prizes will be given them.

Grand prizes will be 18 Chevrolet master de luxe coaches worth \$13,500. Then there will be 500 Crosley radios or Elgin strap watches, worth \$10,000—one to every druggist who sells three gross of units (three tubes to the unit). Twelve hundred junior size vacuum cleaners or Zipper sport bags, worth \$14,100, will be the next group. One will go to each druggist selling two gross of units. For one gross there will be 3,000 Health-O-Meter bathroom scales or modern aluminum cocktail sets, worth \$12,000; and for one-half gross, 5,000 Oven-Serve casserole sets or novelty boudoir lamps, worth \$11,250.

Each store can win only one prize. Sales capacities of large, medium and small drug stores will be equalized by giving those whose volume is more than \$100 a day one point for each tube sold; those over \$50 a day, two points; under \$50, three points.

Dr. West Now in 2nd Place

As stores enter, it was explained, an inventory will be taken of their stock of Dr. West's toothpaste. To this will be added their purchases during the contest period. An inventory at the end of the contest will determine volume sold.

Average gross profit of retailers for leading competitive toothpaste brands, it was shown, is between 23.6 and 31.2%, with seven out of eight of them being less than 29%. For 80% of the time of the contest drug stores will sell Dr. West's at 19 cents, yielding a profit of 38.6%. For the other 20%—the time to be chosen by the individual merchant—the price will be three for 50 cents, yielding a 30% profit.

In the five years since its introduction, the Nielsen Drug Index has found, Dr. West's has risen to second place among nationally advertised brands of toothpaste, with 13.17% of

the total business in the Nielsen area. In the Middle West, it was said, Dr. West's now has 21.3% of the total, leading all other brands two to one.

The contest, conceived by J. T. Woodside, president of the Western Company, is intended to bring Dr. West's up to the Middle Western level in other markets of the country. To increase consumer demand, full pages in comic strip style in five national magazines—*Good Housekeeping*, *Woman's Home Companion*, *McCall's*, *Ladies' Home Journal* and *Saturday Evening Post*—are being used regularly this year, through J. Walter Thompson Company, and intensive newspaper efforts are being made in various markets. Test campaigns run last year in typical markets, it was said, doubled and even quadrupled Dr. West's share of the total toothpaste volume there. This work has been expanded in 1935. The contest itself is being promoted in a broadside for dealers and in spreads in *Drug Topics*.

Pointing out that of the \$55,000,000

annual toothpaste volume of the country, only 40.80% is done through independent drug stores, Mr. Woodside said, the contest has been devised to increase not only the volume of these stores but their profits per unit sold.

Floor tables for bargain displays, mass display stands, window displays with price-change attachments, and other materials have been prepared to emphasize both the 19-cent and the three-for-50-cents prices.

Instructions for dealers include:

1. Be sure that your distributor's salesman assists you in sending in your memo of entry to the Western Company.
2. This memo should include a careful inventory of your stock of Dr. West's toothpaste as of June 14, 1935.
3. Immediately upon receipt of your memo of entry the Western Company will send you an acknowledgment and an official form on which you will record your purchases during the period of the contest and which you will submit as your official entry at the end of the contest period.

Dealers must sign this form before a notary public. They are also asked to attach to it wholesaler's invoices covering purchases of Dr. West's paste during the contest period.

Kenneth Laird, vice-president of the Western Company, is supervising the promotion of the contest.

In New England 250 Laundries Run Joint Newspaper Campaign

Laundries of Boston and parts of New England have combined in The Boston *Post* to combat electric washers . . . and to offer strong resistance against wash-at-home sentiment. About 250 companies are running a 13-weeks cooperative campaign of 1,400-line insertions once a week, each advertisement—big enough to command a whole page—is designed to sell the cleanliness, washing efficiency and convenience of the public laundry, and each is signed by a listing of contributing members.

The main copy uses such selling slants as these in headlines: "Beauty never bloomed in a wash tub," "Mothers—protect kiddies' health with laundry-washed clothes," "It's a man's-size job, but a man wouldn't do it—and he shouldn't let his wife do it either." A copy line leading into the list of laundries urges readers to "choose a well-qualified laundry."

The biggest interest of the laundries in their campaign centers around a "laundry-gram" contest of the last-line limerick type. Winners win "48 prizes every week—\$100 in grand prizes." The merchandise awards in-

variably are washables, such as Lady Pepperell sheets, pillow cases and towels provided by the manufacturer in return for prominent mention.

About 1,000 entries a week come in. Each name and address is delivered to the sponsoring laundry nearest the address of the entrant. And the nearest laundry delivers the prizes to winners, thus effecting a personal contact that is often valuable to routemen. The contest also produces a good many letters and other testimony that makes good promotional copy. It has built up a sizable volume of new and recaptured business.

The *Post*—after long experience with this type of group advertising—fixes a flat charge per week against each laundry, plus \$1 for each truck the laundry operates, thus evening up the cost of the campaign as between small and large laundries.

Thus the newspaper, in its "industrial cooperative" campaigns, enables local dealers in various lines to participate in big space advertising who could not afford independently to buy space at the *Post's* local rate of \$5.60 per inch.

Made-to-Fit Promotion Plan Wins Prestige and Sales for M-G-M

AT its annual sales conventions in Detroit and Kansas City in May, Metro-Goldwyn-Mayer presented impressive figures on the extent of its advertising in three types of media.

Week in and week out, throughout the year, it was shown, M-G-M is using, in cooperation with exhibitors, 168 newspapers with a combined circulation of 23,000,000.

Since last September M-G-M pictures have been promoted in 40 national magazines with a combined circulation of 34,000,000.

And last month, after tests of this medium for certain of its productions, the company started a campaign employing 10,000 24-sheet posters monthly through October in 1,500 cities and towns. Estimated "circulation" of these posters is 200,000,000 a month. Cost for the six-months' period will be \$600,000.

\$3,000,000 in Three Media

In the three media, for the current movie year which ends next fall, it was estimated that M-G-M's total expenditure will be about \$3,000,000—probably the largest in its history.

With four "specials"—"Treasure Island," "The Barretts of Wimpole Street," "David Copperfield" and "Naughty Marietta" for the '34-'35 selling season, and with several above average pictures, like "Chained" and "Reckless" and "Sequoia," included among its 60 releases, M-G-M spent proportionately in advertising to justify at the box-office the costs at the studios.

For the '35-'36 selling season, with six "specials" scheduled, and with the entire production outlay greater, the company, SM was told, intends to expand the advertising program.

In addition to enlarged maps of the country, showing the coverage of each type of medium of the population of each state, and the combined number of "Messages" in each state, the sales conventions were shown M-G-M's "first," in the development of new ways of presenting motion picture advertising messages.

The most important "first" of the last year was the adoption, under Howard Dietz, advertising director, and Donahue & Coe, Inc., the advertising agency in charge, of a policy of making advertising messages about the products fit a variety of prospects.



To reach the multitudes on wheels . . . a six months' outdoor poster contract.

BY LAWRENCE M. HUGHES

Instead of concentrating on one ad, or one appeal, for a picture, presenting it vividly and circulating it widely, in the hope that it would interest "everybody," this producer recognized that the reason one person may wish to see that picture is often entirely different from that of another person. These reasons vary with sex, age, position, personal background, etc.

M-G-M realized too, it was explained, the necessity of reaching people in new ways. This company claims, for example, to have been the first in its field to use color in newspapers, and the first to use the equivalent of a full newspaper page in the form of a lower-half double spread.

The fact that "everybody reads newspapers," plus the flexibility of this medium cannot, of course, be discounted—especially by an advertiser who turns out a completely new product every week, and who often cannot guess until a few days prior to release whether an individual picture is a natural or a flop.

On the other hand, M-G-M felt that the more specialized appeals—whether to men or women, boys or girls, housewives or star-sick maidens—of virtually all magazines could be used, when time and subject permitted.

And to reach the multitudes on wheels, especially in the warmer months of the year, outdoor also was given a place in the program.

The company first used outdoor posters widely last August, for "Chained." One scene in the film showed that popular and personable pair, Joan Crawford and Clark Gable,

in bathing. Bathing is a subject of interest in August. The poster pulled. The \$90,000 in posters was supplemented by \$20,000 in newspapers.

"Treasure Island" was the subject of the initial general magazine copy last September. For it M-G-M spent \$65,000 in magazines—making special efforts to attract the "youth" market—and \$22,000 in newspapers. The fame of the book, the standing of the cast, and the approximate worth and pulling power of the picture could be determined in advance.

With "Naughty Marietta," on the other hand, featuring a singer well known in radio but new to the screen, the company held most of its money until the picture was finished, and spent \$85,000 in newspapers and only \$25,000 in magazines.

For "David Copperfield," which drew the largest appropriation of any M-G-M production in the last year, \$135,000 went for magazines, \$85,000 for newspapers. It was also probably the "most made-to-measure" job. Eight different copy appeals were developed. In boys' magazines, for example, the company was careful to avoid the "Hey, Fellers!" stuff, and told simply and directly, the story of the dramatization of the life of perhaps the most famous boy in fiction.

In a contest conducted by the *American Boy* for the advertisement its readers liked best that month, Sam Flint, Jr., 15, of Mt. Airy, Georgia, was the winner. Sam wrote about the ad for "David Copperfield." Said he:

(Continued on page 702)



Inspector Faurot (right) runs down facts about tire performance while Star Reporter Jimmie Cannon looks on. After eight weeks in the field, he reported to Goodyear executives that nearly every G-3 tire he had found on the road exceeded the "43% more mileage" claim made by the company when it introduced the tire more than a year ago.

Goodyear Fingerprints Folks in G-Men Detective Campaign

GOODYEAR and Erwin Wasey have developed a new application of the old testimonial idea. But the writers of testimonials dragged in, for better or worse, and for pay or no pay.

Instead, Goodyear decided to make a nationwide field investigation of the actual experience which Goodyear owners have had with their Goodyear tires, and to do this with a technique and methods which are used by detectives. As a result, many factual data were dug out which in a testimonial sense supply the answer to the experience record of the users of Goodyear tires.

Also as a result, Goodyear advertising is now being given a slant which is not only newsy, full of colorful headlines, but which fits in with the current theme of much editorial copy in the newspapers and magazines.

While the name "G-3," which applies to the Goodyear product, is currently featured in the campaign, its selection was not pre-planned. "G-3" was the laboratory number given to this particular tire when it was being put through the 101 tests which Goodyear applies to all of its new products. That name happens to fit in perfectly with the press and movie attention being given to G-Men, as they are known in the Intelligence Service. Incidentally, the "G-3" campaign comes almost exactly on the first birthday of

the introduction of the "G-3" tire.

On May 19 Goodyear dealers and their service men all over the country put on big, bright Goodyear "detective inspector badges," broke out a lot of station banners and display material telling how the great man-hunter, Inspector Joseph A. Faurot, had run down the facts about the long life of G-3 tires and began finger-printing and tire-tread-printing every customer they could.

It all tied in with the current Goodyear advertising campaign written around Inspector Faurot. This famous former head of the New York City detective force spent eight weeks traveling across and around the United States—accompanied by Jimmie Cannon, star Hauptmann trial reporter, and by a photographer with a ready flash gun and plenty of plates—finding users of G-3's and reporting on tire performance under all sorts of conditions everywhere and on all types of cars. Inspector Faurot, now a commercial detective, thought at first it was a pretty cock-eyed assignment. But he came back from his tour all steamed up over the fact that nearly every G-3 tire he found along the road exceeded the "43 per cent more mileage" claim that Goodyear made a year ago when it introduced the tire to the public.

Of course that made copy for the current advertising campaign which

runs a full newspaper page and two 1,000-line insertions every week in 47 cities and smaller schedules in every other city of consequence until July 1. The detective theme runs also in the Goodyear magazine schedule with a special splurge in *S.E.P.*, *Collier's* and *Liberty*.

Goodyear puts burrs under dealers' tails in a series of 250 meetings from coast to coast, ending when the advertising started May 19. It told them the advertising story, showed them in motion pictures and actual demonstrations how to use the detective theme in their selling, and offered them all the sales helps—including finger-printing kits at low cost.

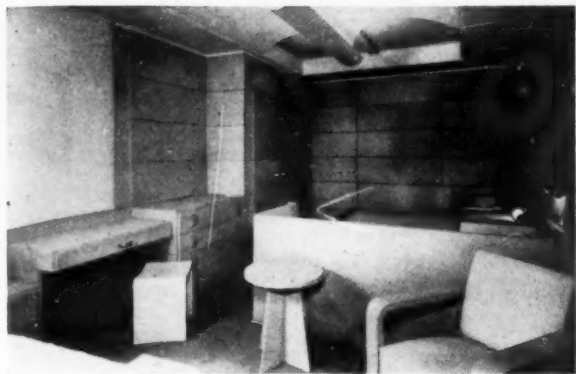
The movie, a four-reel affair, was made by Pathe. In the first part, it shows Goodyear officials like P. W. Litchfield, president; R. S. Wilson, vice-president; J. E. Mayl, tire sales manager; L. C. Judd, director of public relations, and Henry Harper, manager of advertising, going into huddles about the proposed new plan of making a detective search to determine how Goodyear tires are standing up in actual service. In the same prelude, we find Art Kudner and other executives of Erwin Wasey going into the conferences, with the outcome that Detective Faurot and Star Reporter Jimmie Cannon are started off on their trans-continental trip. Then follow numerous shots showing Faurot and Cannon in all parts of the country talking with all types of owners and making every sort of minute examination. Then come the final sessions back in the home office with company and agency officials resolving to tell the world about the testimonials that have been gathered from actual Goodyear users.

In addition to the displays which can be strung up by the retail establishments, and which have more the character of moving picture posters than of ordinary dealer displays, numerous other promotion pieces are being supplied to Goodyear dealers.

The dealer whets customers' interest with the display banners and cards, offers to finger-print him just for fun and—in all seriousness—"finger-prints" the customer's tires if the case warrants it by greasing the treads and running the car over a strip of white paper just to show how bad the tire is or how well the old G-3 is standing up. These prints make good demonstration stuff.

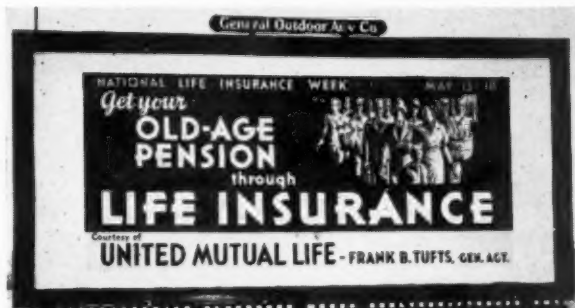
To develop new business, Goodyear encourages dealers to offer finger-printing kits as prizes to boys who bring in a number of worn-tire tread prints bearing the names and addresses of the car owners.

Whiskey Whiffing: (Right) "Just sniff that bouquet," says the clerk as he sprays American Distilling Company's Gold Label liquor into the customer's hands. The atomizer atop sample bottles helped get Gold Label introduced in the Chicago market. No doubt, clerks were warned not to frisk recklessly with the spray, to confine their squirts to the hands. J. Stirling Getchell, Inc., New York, is in charge of the advertising.



Floating Museum: S.S. *Normandie*, largest liner in the world, is a high seas museum of industrial and decorative art, say French Line officials. China, glass, hardware and other decorations for the de luxe suites were specially created by a long list of Big Names in French art. Above is one of the first class cabins, done entirely in pigskin with metal hardware. At right is another stateroom with a circular ceiling. Furniture is of wood, metal and glass. Both modernistic and traditional forms are employed throughout the vessel. The *Normandie* docks in New York June 3, on her maiden voyage.

Who and What's in the News Now



Co-Op Poster: In Indianapolis, during National Insurance Week, 32 underwriting companies blanketed the city with these outdoor posters. Splitting the cost among the cooperators reduced the individual expense, so that the largest coverage ever used for any product or service was made possible. Harry V. Wade, assistant to the president of United Mutual Life, and G. Vance Smith, president of Central Advertising Corporation, directed the campaign. More than \$3,000,000 of insurance was sold.

He'll Drum Up Trade: Vern R. Drum, new president and general manager of Hupp Motor Car Corporation, Detroit, used to be plant operating manager for Chrysler. Before that he was with Continental Motors and Willys-Overland. At the same time he was elevated to the presidency, a new board of directors was announced. It is comprised of Archie M. Andrews, Mr. Drum, W. B. Mayo, Hal Smith, Seward L. Merriam, Harvey J. Campbell, J. Walter Drake, F. S. Lewis and Alex. J. Groesbeck.



O. R. Forster
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Photo by
Ewing Galloway

The Market Research Corporation of America, under the direction of Percival White and Pauline Arnold, planned this extensive survey, conducted the field work, and tabulated the field returns. Detailed breakdowns by age groups, income groups, sectional groups, city groups, and magazines found in the home, are available through M.R.C.A. to advertisers, agencies, publishers and others interested. ¶ *Sales Management* has purchased the exclusive rights to the major summaries of the survey and presents them in a series of five articles, of which this is the first. The interpretive comments are by Philip Salisbury, Executive Editor. ¶ In the June 15 issue we shall analyze the unfavorable comments about advertising in general and about specific advertisements.

Of all the advertisements that she sees or hears, which ones impress her vividly enough—whether favorably or otherwise—to make her remember both the message and the advertiser's name?

Survey Among 10,000 Housewives Shows Food Advertising Most Liked, Drug Advertising Most Questioned

TRAINED interviewers, representing the Market Research Corporation of America, called upon 10,000 housewives at their homes early this year and asked this question: "What recent advertisements have impressed you favorably and what ones unfavorably?" No check list of advertisements was presented. No suggestions were made. The respondent housewife had to recall to her memory certain advertisements which had impressed her, either favorably or unfavorably, with such force that they still stayed in her mind and permitted her to recall the names of the advertisers. Purposely the question did not ask for responses on any one kind of advertising, nor recent advertisements seen.

The whole wide world of advertising was open for these women to select from. No one can calculate accordingly how many thousands of advertisements of products were thus offered as possibilities from which to choose. We know that upwards of a thousand different products were mentioned.

The 10,000 women made more than 10,000 mentions, with the favorable impressions greatly outranking the unfavorable ones. Favorable mentions represented 77% of the total.

The mentions of food, food beverages and soft drink advertisements far outranked other industries and represented 46% of the total of all mentions. Not only were more food product advertisements recalled, but the

favorable ratio of 93% was the highest of any group.

But when advertising appropriations of the various industries are matched against the total number of mentions in each industry, as the table shows, soap and cleanser advertising impressed these women more forcibly than any other type, with food a close second and cigarettes a good third.

Camel, with 700 mentions, outranked all other individual products or companies. General Foods, with 670 mentions for their combined products, stood in second place.

The survey was made among housewives in all income classes except the "E" class (illiterate, foreign, colored, slums, etc.). The distribution of interviews by classes was:

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	No.	%
A. Upper Class	1,483	14.7
B. Upper Middle.....	3,554	35.4
C. Lower Middle.....	3,694	36.8
D. Lower Class	1,313	13.1

Total 10,044 100.0

Geographical Distribution: The interviews were distributed among the 48 states of the union to correspond to, or parallel, wholesale grocery sales. This resulted in a geographic distribution as follows:

	No.	%
East	4,045	40.3
Central	3,071	30.6
South	1,718	17.1
West	1,210	12.0

Total 10,044 100.0

Age Groups:

	No.	%
Young	1,716	17.1
Medium	3,196	31.8
Old	3,889	38.7
Age not given.....	1,243	12.4

Total 10,044 100.0

City Sizes: This distribution * was as follows:

	No.	%
Under 10,000 (incl. Rural)	1,303	13.0
10,000 to 100,000	3,472	34.6
100,000 and over	5,269	52.4

Total 10,044 100.0

What Industry's Ads Are Most Impressive to Women?

In one of the accompanying tables we present a consolidated picture of women's reactions by the industries whose advertisements were mentioned most frequently by the 10,000 housewives. In this table are shown not only the number of favorable and unfavorable mentions, the total mentions, and the ratio of favorable mentions to total mentions, but we go a step further and translate the number of mentions to an index figure which shows the relationship between total mentions and total advertising expenditures.

Exact figures on *total* advertising appropriations, either for the calendar year of 1934, or for specific months, such as the three months preceding the survey, are not available. Lineage figures on space contracted for in newspapers by the companies and obtainable through Media Records, Inc., are not accurately translatable into dollars and cents figures, because rates vary so widely in different cities, and by sizes of cities, but we have used in the industry recapitulation the newspaper estimates for each industry which were prepared by the Bureau of Advertising of the

* Does not exactly parallel retail grocery sales because of introduction of a small farm group and a slight over-weighting of large city group.

JUNE 1, 1935

Ranking of Companies Receiving 50 or More Total Mentions

Company	Favorable	Un-favorable	Total Mentions	Rank in Mention	Ratio Favorable to Total	Rank in % Favorable
R. J. Reynolds (Camel).....	248	452	700	1	35	28
General Foods.....	638	32	670	2	95	14
Procter & Gamble.....	630	20	650	3	97	9
Campbell Soups.....	626	12	638	4	98	5
American Tobacco.....	284	196	480	5	59	25
Standard Brands.....	278	148	426	6	65	23
Liggett & Myers (Chesterfield).....	249	131	380	7	66	22
Lever Bros.....	188	174	362	8	52	27
H. J. Heinz Co.....	307	7	314	9	98	8
Del Monte.....	250	1	251	10	99.6	2
Swift & Co.....	229	10	239	11	96	12
General Mills.....	228	8	236	12	97	10
General Motors.....	201	10	211	13	95	15
Pillsbury.....	190	4	194	14	98	7
Listerine.....	62	120	182	15	34	30
Kotex.....	3	138	141	16	2	31
Libby, McNeill & Libby.....	127	2	129	17	98	8
California Fruit Growers Exchange.....	120	12	132	18	98	4
Ford.....	111	11	122	19	91	17
Colgate-Palmolive-Peet.....	91	16	107	20	85	18
Bristol-Myers.....	36	71	107	21	34	29
Spud.....	84	34	98	22	85	24
Pepsodent.....	54	41	95	23	57	26
California Walnut Growers Association.....	85	1	86	24	99	3
Pond's.....	60	23	83	25	72	20
Wrigley.....	61	11	72	26	85	19
Chrysler.....	51	21	72	27	71	21
Charles B. Knox Co.....	69	0	69	28	100	1
Borden's.....	61	2	63	29	97	11
Coca Cola.....	58	5	63	30	92	16
Pet Milk.....	52	2	54	31	96	13

What Industry's Advertising Creates the Strongest Impression on Women?

Products	Favorable Mentions	Unfavorable Mentions	Total Mentions	Ratio Favorable to Total	Index No. Total Mentions to Total Expenditures
Soaps and Cleansers.....	802	225	1027	78	191
Foods, Food Beverages and Soft Drinks.....	4387	315	4702	93	176
Cigars, Cigarettes and Tobacco.....	911	885	1776	51	132
Drugs and Cosmetics.....	589	721	1310	45	89
Alcoholic Beverages.....	135	142	277	49	66
House Furniture and Furnishings, Radios and Musical Instruments.....	388	57	445	87	68
Automotive and Tires.....	479	59	538	89	52
Miscellaneous.....	240	17	257	93	21
Petroleum Products.....	61	36	97	63	15
Grand Totals and Averages.....	7992	2437	10429	77	100

Products receiving only one mention were not tabulated. The Index No., Total Mentions to Total Expenditures, was constructed as follows: The expenditures of each industry for 1934 in newspapers, magazines, national farm papers and radio were tabulated, and total expenditures divided by total mentions gave an average cost per mention which is used as the index number, 100. The high index number for soaps and cleansers, 191, indicates that advertising of these products, in relation to total expenditures in the four types of media was most effective in creating an impression, favorable or unfavorable. The index figures were compiled by the statistical staff of SALES MANAGEMENT.

American Newspaper Publishers Ass'n.

The index number in the table is based on the expenditures of each industry in 1934 in newspapers, magazines, national farm papers and radio. National Advertising Records was the source for the other figures.

The total expenditures in these four media were tabulated and then divided by the total number of mentions of all industries, which gave an average cost per mention, which is used as the index number, 100.

Food, food beverages and soft drink advertisements were mentioned almost three times as often as cigarettes, but the expenditures of the former in newspapers, magazines, farm papers and radio were only twice as large as for cigarettes, with the result that both industries have an impressive rating above the average, but foods have an index number of 176, as against 132 for cigarettes.

The survey indicates clearly keen interest on the part of women in cigarette advertising. Cigarette advertising, however, is not altogether pleasing to housewives. Only 51% of the 1,776 mentions were favorable.

Food advertising is not only noticed by more women, but apparently is believed by more, if one may safely assume that "favorable" and "believable" are synonymous in this connection. Certain it is that very few food advertisements impressed women as being objectionable in any way; and the editors believe that if women were convinced that the advertising claims were false or misleading, they would make unfavorable mentions of such offending products.

The rating on drugs and cosmetics is very interesting since this classification shows the smallest ratio of favorable mentions to total mentions. Of drug and cosmetic advertisements 589 were remembered favorably as against 721 unfavorably. Furthermore, the total drug mentions in relation to total expenditures were very low and the industry has an index number of 69, meaning that for every dollar spent drug advertisements were mentioned only 69% as frequently as the average advertisement.

An analysis of the specific mentions of advertised drug products discloses that the below average index number for the industry is accounted for in great measure by the large unfavorable balance represented by laxatives and items of feminine hygiene. The largest number of unfavorable mentions accorded to any drug product, for example, was Kotex which received 3 favorable mentions and 138 unfavorable. The next largest num-

(Continued on page 690)

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Is There a Need for a National Sales Executives' Club?

The idea of forming a national association of sales executives, or a national affiliation of local sales managers' clubs, has come up for discussion a number of times before. Either for lack of proper leadership, or because of a feeling that such an organization wouldn't justify itself, it has

never been carried through. A number of SM's subscribers think now is the time to bring the idea to fruition. Will you express your opinion, please? Address letters to A. R. Hahn, Managing Editor, Sales Management, Inc., 420 Lexington Avenue, New York City.

Calling All Sales Managers' Clubs—From Boston to Los Angeles!

SEVERAL weeks ago, W. V. Ballew, sales manager of the Dr. Pepper Company of Dallas, Texas, and the moving spirit behind the Dallas Sales Managers Club, wrote to the editors of SALES MANAGEMENT re-opening the question of organizing a national sales executives' club.

It is felt by many marketing men that such an organization would provide many mutual benefits to its members—that, for example, it would help each participant to keep abreast of the rapidly changing marketing picture by a more systematic interchange of information about sales problems and selling; that it would definitely help groups who have specific sectional marketing problems; that it would help cut the waste in distribution by dissemination of knowledge about more efficient methods of operating; that it would train executives to think beyond their own industries and to develop a healthier competitive spirit.

"Furthermore, and not the least important by any means, is the fact that such an organization could and would carry tremendous weight in national affairs, particularly in Washington, to say nothing of State Capitols," Mr. Ballew points out.

"Organizations like the one I am associated with now struggle hard to earn dividends and have little or nothing to say about how much shall be paid out in taxes. I frankly feel that a representative, nation-wide organization of sales executives could wield a heavy influence over factors that are now completely outside our control."

On the other side of the picture, it is probably true that such a club would be difficult to form and main-

tain, due to the fact that sales executives, as a group, have little profession-consciousness such as exists, for example, among advertising men. Except through the medium of a few local sales executives' clubs, they have done little to pool ideas and to further common interests.

While no plan of any kind has been prepared covering the *modus operandi* of a national marketing group, a few ideas have casually been thrown into the hat which seem to have some merit. One, advanced by Mr. Ballew, is that such a club should be organized on a zone basis, with groups, say, in New England and the Middle Atlantic, South, Middle West, and Far West, which would meet at agreed-upon intervals for discussion of problems more or less peculiar to their own geographical areas. Then one annual, or two semi-annual, national meetings could be held which would be broader in scope.

Another suggestion involves merely an affiliation of the local clubs now existent, with either one annual, or two semi-annual meetings each year. In any case, a permanent secretary's office would be established—probably in the SALES MANAGEMENT magazine offices in New York.

Letters have been mailed to officers of sales managers' clubs in 21 cities asking for a formal expression of opinion from each group and a statement as to whether each group would or would not support a national organization. These groups are listed in an attached box. If other local clubs exist which are unknown to the editors, please send in a list of officers, and if possible, a list of members. All clubs will receive a report of the consensus after replies to SALES

SALES MANAGEMENT

MANAGEMENT's letter are tabulated.

Meanwhile, the editors especially solicit letters from sales executives in cities where no sales managers' club exists. If it is felt that there are enough potential members for a club in any of these places, this magazine will help in setting up the organization and passing on ideas which have proved valuable to other groups.

This month Mr. G. C. Douglas of the Chamberlin Metal Weatherstrip Company, Detroit, expressed the wish to form a sales managers' club there. Any other sales executives in this territory who are interested may write to him at the company office, Brooklyn and Labrosse Streets, Detroit.

Are There Any More Sales Managers' Clubs?

SALES MANAGEMENT has the following cities listed as having sales managers' clubs. Where no officers are listed, the editors would appreciate a letter containing names and addresses of present incumbents.

Boston

President: William C. Mattox, The Barta Press.

Cleveland

President: Douglas Campbell, Pocahontas Oil Corp.

Dallas

President: J. Durrell Padgitt, Padgitt Brothers Co.

Ft. Worth

Please send officers' names.

Kansas City

President: B. R. Welch, H. T. Poindexter & Sons.

Los Angeles

President: L. C. Sorensen, Turco Products, Inc.

Milwaukee

President: Wm. S. Bassett, Gridley Dairy Company

Minneapolis

Please send officers' names.

New York

Sales Executives' Club: President: Kenneth M. Goode, Biow Company.

Sales Managers' Club: Secretary: Carol Lyttle, Dictaphone Sales Corp.

Philadelphia

President: John A. Stevenson, Penn Mutual Life Insurance Co.

Pittsburgh

President: J. J. McAleese, Pittsburgh Provision & Packing Co.

Rochester

Chairman: Harry J. Taillie, Rochester Gas & Electric Corp.

St. Louis

President: W. H. Bryan, Sales Managers Bureau, St. Louis Chamber of Commerce.

St. Paul

President: J. Sadler Shaw, Brown & Bigelow.

Salt Lake City

Please send officers' names.

San Francisco

President: Harryson F. Andersen, National Broadcasting Company.

Seattle

President: Ray N. Muffley, Puget Sound Power & Light Company.

Vassos Tells Sales Club How to Get Most from Product Designers

AN industrial designer got down to brass tacks when John Vassos addressed the Sales Executives' Club of New York, May 20. This designer of Wallace silver, of Percy "Passineter" turnstiles, etc., gave the sales chiefs of many companies his ideas of what a good designer ought to do for a manufacturer and how the two ought to make products more salable.

He said industrial design is here to stay in spite of the errors that have been made in its name. It was first called in as an emergency measure but it has now become a definite and necessary part of industry.

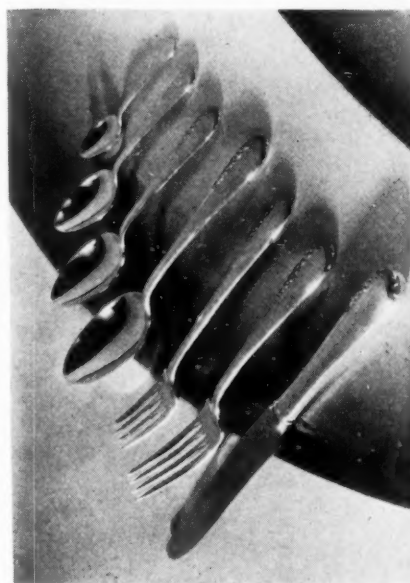
He laid down four factors which he believes must be present if product design is to be successful—"and success means one thing only: More sales of the product over an extended period."

First, redesigning of any product must be gradual, "because any radical change, even if it be a good one, is dangerous for any standard product already on the market. The public will not accept it. Changes for the better must be progressive but not radical. The first-year failure of the Chrysler Airflow car and the so-called modern Majestic radio are examples of what I mean when I say radical changes are dangerous. Then, projecting a good design too far ahead of the times is often a costly mistake, too. The 'perfect gas range' of last year illustrates the point. It is so good that no improvements can be made in it. That's usually fatal."

Must Have Full Cooperation

Second, he declares a designer should work as an integral part of the design and engineering staff of the manufacturer, instead of as an outside man. "Otherwise," said he, "inner company departments are too likely to be anxious to prove the outsider wrong and they will not offer him their comprehensive knowledge of manufacturing problems. It is absolutely necessary that the designer secure the cooperation of the existing staff and he must take advantage of the manufacturer's long years of experience."

However, the designer must not be bound by tradition and precedence. He must be fearless enough to do what he thinks is right, even if he must buck the always-to-be-expected tide of



A good designer cannot be bound by precedence, says John Vassos. So when he created this silver pattern—a wheat head on one side of the handle—and "they" said, "It's never been done before," he replied: "Good! Let's go ahead!"

"it never has been done before."

Third, Mr. Vassos insists products should be restyled at intervals to avoid their losing interest in the eyes of an ever-fickle public.

Fourth, the designer must be able to do more than merely conceive a good design. He must also be able to make a contribution to its promotion and marketing. "No one," said he, "could possibly know as well as the designer the dramatics of the product on which he has been working, and he is therefore able to outline the approach to the public better than anyone else. The designer should have—and the good ones all have—not only the ability to analyze the product in his thoughts, but the ability to put clearly into words the reasons why he treated the product as he did." At that point the vision and skill of the advertising department take hold and carry forward.

Winding up his talk, Mr. Vassos declared: "The woods are full of good designers, but there are very few analysts. It is always possible to change the appearance of a product for the better, but that is not at all the same thing as determining the psychological reason for public demand or refusal. There can be no school nor formulas for design. Each product carries its own problems and no two are exactly alike."

This is the third of a group of articles by Mr. Murphy in which he discusses marketing problems which he, in his wide experience as a sales counsellor, has found to be common to many different types of businesses*

Why High-Hat Advertising for Low-Brow Products Rarely Pays

HERE is a situation that market counsels run into frequently: Their clients' salesmen and their clients' advertising departments are telling entirely different stories. Often they are relating contradictory stories. In fact, in some instances they are not even selling the same products.

For example, a manufacturer may be putting out an article that is designed to appeal to the mass market. It may not be sold exactly on a price appeal. Nevertheless, the men who are selling it in the field have achieved their greatest success by emphasizing its sensational value. Its strongest distribution is in chain stores and in other retail establishments that play up bargains.

Yet if you read the advertisements of that same company you would imagine that they catered only to royalty. Class and swank and ten dollar words protrude decorously from publications that are read only by the élite. Obviously the advertising is not intended to reach the people who buy the product.

What is the meaning of this strange inconsistency? One explanation is that many manufacturers advertise to their club members, or to the folk in their own social set. They don't want their playfellows to know that they are making their money by catering to *hoi polloi*. To hide this degrading secret, these manufacturers use their advertising to throw up a verbal smoke screen. They employ advertising not to sell their wares, but to surround their commercial activities with a patrician air.

There is a fairly well-known case where a manufacturer gave an advertising agency his account, largely because the agent was able to get him into a country club that in the good old days was harder to break into than the Bank of England. The agency was an excellent one and quite capable of giving its new client the best of service. The manufacturer, however, insisted on directing all of his copy to the members

* Others appeared in SM for March 1 and April 1, 1935.

WHEN
Chicago's
Smart Set
SERVES
CANNED BEANS
THAT'S NEWS!

Feature and display B & M
Brick Oven Baked Beans and
Brown Bread on your coun-
ters. A larger unit of sale—a
better product—faster turn-
over—all spell profits for you.

Burnham & Morrill Company
Portland, Maine



Does it pay to attempt to lend a snooty atmosphere to a product sold primarily to the masses?

"Whither thou goest, I will go"—so should it be with a company's advertising and a company's personal selling. Too often these two primary sales forces are directed down widely divergent channels, with the result that neither is as effective as it would have been had they been closely coordinated.

BY

JOHN ALLEN MURPHY

of the club. In most of the advertisements he demanded that the club and its doings be worked slyly into the layouts. An outline of the club building was occasionally shown. Scenes from the golf greens and fairways were often run. The joke of it was that people who could afford to belong to this club were miles outside of this manufacturer's market.

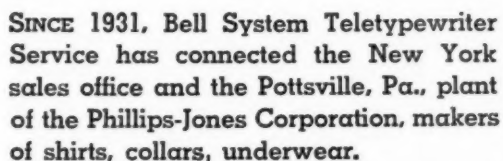
Another sizeable group of advertisers in this class, but I doubt if it is much larger than the group just described, are those manufacturers who get out of touch with their markets for one reason or another. They lose intimate contact with their distribution. As a rule, this loss takes place so gradually that it is imperceptible. Seldom do they know that a change has taken place until much damage has been wrought.

Generally it is only the company's brass hats and main office employees who become so far removed from the field operations that they do not know what is going on in the selling trenches. That explains why it is only their advertising that is misdirected. Advertising gets its ranges, in most organizations, from the executive headquarters. Actual selling, on the other hand, accepts its orders from the men who are on the firing-line, as salesmen, branch managers or wholesale distributors. As a result, sales methods are nearly always adapted to the actual conditions that currently exist in the field. But advertising too often is directed to an enemy that long ago has surrendered.

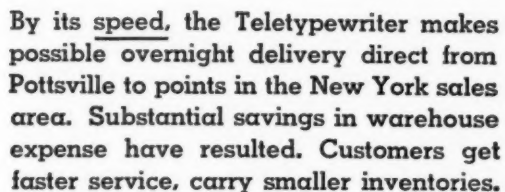
One of the greatest benefits of a market survey is that it frequently digs up situations of this sort. Many incidents could be related telling of the astonishing discoveries of this nature that an investigation has unearthed.

One will suffice to make the point clear. The president of a company long had been worrying as to why his advertising was so unproductive. It was assumed that it must have been doing some good, since sales had been showing steady increases for years. Nevertheless, the president kept asking,

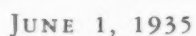
by Bell System
Teletypewriter Service



The machines at each point are arranged to handle continuous printed order forms. A single typing in New York simultaneously produces four identical forms there and five in Pottsville. All nine copies carry the same serial number and provide a correct copy of the original order for every department concerned. Orders received in New York are being filled at Pottsville a few minutes later.



The efficient control of operations that Teletypewriter Service has accomplished for Phillips-Jones can probably be applied with profit to your business, too, as it has for Wilson Brothers, The Viscose Company, Cheney Brothers, Montgomery Ward & Co., Johnson & Johnson and many others. Ask your local Bell Company to tell you more about it.



"Why is our market so unresponsive to our advertising appeals?" At last he engaged marketing counsel to find out.

A fact-finding study was started. It soon was discovered that an entirely new type of retail distributor had grown up in this field. These distributors not only retailed the product but they also installed it. The erstwhile type of retailer of this article seldom installed it. The management of the concern was familiar with this change in distribution, but discounted its importance, estimating that no more than 10% of its retailers were contractors. The survey disclosed that actually 75% of them could be classed as contractors.

This revelation explained the unresponsiveness of the company's advertising. In fact, in view of the change in distribution channels, the advertising was ridiculous. The sales organization, on the other hand, knew how trade channels in this field had evolved, and were directing their efforts to this strange species of distributor. That explains why sales were showing such a healthy increase.

These salesmen were contemptuous of their firm's advertising. They often apologized for it by saying, "The Old Man advertises just to create a job as advertising manager for his temperamental son." Later, however, when the advertising was drastically revamped to conform to retailing methods, the salesmen became interested in it. They waxed genuinely enthusiastic over it when it began to increase their sales at a sensational rate.

Too Much Drama Spoils the Ad

Another reason why advertising and marketing sometimes make such incompatible bed-fellows is that a company, in straining to make its advertising dramatic, lets a tone of insincerity creep into its copy. Much advertising, particularly consumer advertising, has this fault today. Perhaps it is an inevitable fault. In straining to put over his story, the copywriter creates an unnatural situation—one not true to life—or he is obliged to use far-fetched arguments that are seldom logical. In too many cases he is obliged to be sensational in order to get his copy approved. If he were to use the commonplace selling ammunition which the salesmen of the product employ with such effectiveness, the advertiser might begin looking for a new advertising agency.

The trouble with advertising is that it does not have to sell. That is, it does not have to sell directly. Except in the case of mail order copy, it is not expected to produce immediate business. In recent years, however, a crop of advertisers has grown up who insist

on quick results from their advertising expenditures. We find a number of these fellows using the radio. We all know that radio is an established medium that has conclusively demonstrated its value in scores of instances. But even radio cannot produce pronounced results overnight. It requires time, consistency and thorough use for radio to do an outstanding job, just as is required by any other medium.

Some advertisers think they can take a short-cut to radio success. In the attempt they dramatized their sales story beyond the bounds of believability. Those who make a practice of attending radio broadcasts get first-hand evidence as to how unresponsive a typical audience is to these strained sales arguments. Repeatedly I have seen the studio audience burst into a merry giggle when the "commercials" are being broadcast, although listening with rapt attention to the entertainment program.

Team Men and Advertisements

Any advertising intended to be serious which provokes laughter is off on the wrong track. Likewise, any advertising that smacks of insincerity or that sounds smart-alecky or that exploits unnatural situations, is not a safe type of promotion for any company. Here is where advertisers could learn from their salesmen. Good salesmen are surprisingly direct, simple and straightforward in their methods. They carry conviction because of their sincerity. They are always genuinely enthusiastic about their propositions, but they never allow themselves to become too dramatic. They always stick to facts, knowing they are more effective than fictionized evidence.

Of course, I am not contending that manufacturers should have their salesmen and their advertising tell exactly the same story. As a rule, an effective sales talk would not make good advertising. A sales talk is addressed to one person at a time. Advertising is directed to a vast audience. Hence the direct, personalized argument of the sales talk would generally be unsuited to advertising copy, which must be more general in its appeal.

I do contend, however, that a concern's advertising and its salesmen should not be pulling in opposite directions. At least they should be operating in the same markets. They should be selling substantially the same products.

It is significant that invariably the most successful advertising campaigns are those that are tied in closely with the salesmen. These two efforts work best when they supplement each other. Neither of them achieves the maxi-

mum of results when working alone.

By the very nature of its function, the sales department is likely to be better informed as to what is happening in the field than is the advertising department. Distribution is always in rapid flux. Trade channels are evolving constantly. Consumption methods are changing all the time. Even the objections that are raised by buyers change frequently. A brand new objection will appear somewhere, and then will rapidly spread over the country, as if a Master Objector were sending out monthly phonograph records, containing the most approved current method of breaking down sales arguments. Where the advertising and the sales departments work hand-in-glove the copy is likely to be more newsy and aimed more directly at current conditions as they are being dug up in the field every day.

So important do many manufacturers regard this matter that they are using market research organizations to unearth information for use in their advertising. The depression gave a tremendous impetus to this movement. It explains why more and more advertisements contain interesting factual stories that read like red-hot news flashes from the selling front.

Revealing Vast Copy Lode

Research for copy data was started by industrial advertisers, and the best research of this kind is still to be found in the industrial field. Here this work is usually called an "installation study." The general procedure is for the manufacturer to furnish the research organization with a list of unusual installations. An experienced investigator is sent to study the installation. He interviews someone in authority in the plant where the installation has been made. Thus an interesting story is developed, which the advertiser is able to use in a number of ways. It supplies him with excellent advertising copy. It gives him articles for his house organ, and data for his sales promotion. Very often it furnishes him with new arguments for his salesmen. Frequently the study turns up information informing him that his equipment or machine, or whatever it is that he makes, is being put to uses about which he did not previously know. Occasionally such a study enables him to broaden his market or to reach out into entirely new fields.

Advertising that is based on such a study is bound to be interesting. It is newsy. It is filled with action. It tells what leading concerns are doing with the equipment advertised. It is both helpful and interesting to the reader.



DRIVING FORCE

• • • Prominent Advertisers increasingly select the Home Magazine. They use it as a major effort against America's largest market, or they add it to their schedules to insure sales success.

The reason is simple. New York's largest evening newspaper is dominant in coverage . . . 97% concentrated in the New York area.

Known for its sales vitality it provides the only week-day opportunity for four-color advertising . . . And at low cost!

Among Current Color Advertisers

Babbitt • Borden • Chevrolet • Consolidated Gas • Dupont • Ford • Fredericks • Glenmore • Gooderham & Worts • Loose Wiles • National Distillers • Norge • Penick & Ford • Phillips Soup • Pittsburgh Plate Glass • Plymouth • Schaefer Beer • Socony • Westinghouse.

The Saturday

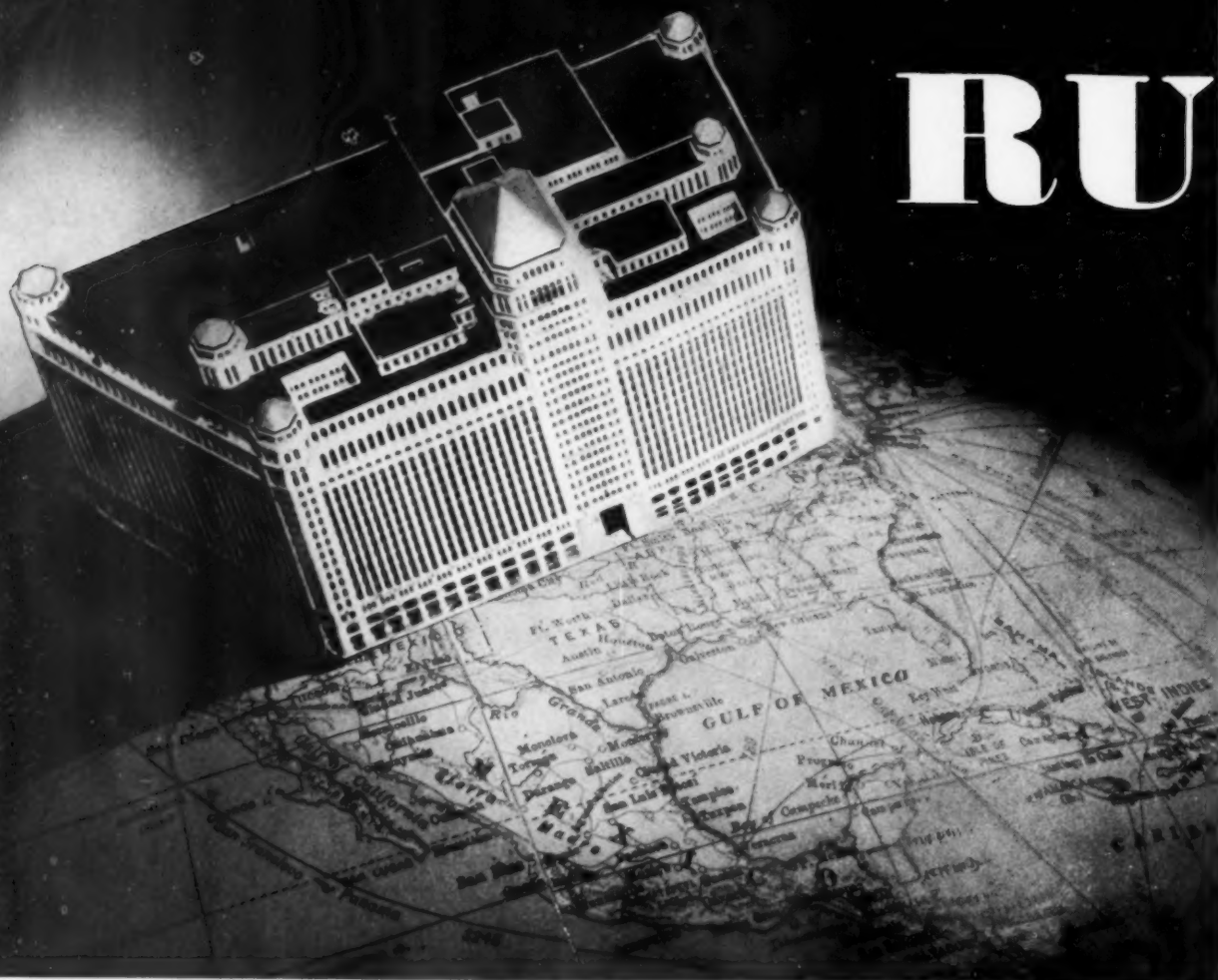
HOME MAGAZINE

OF THE **NEW YORK JOURNAL**

NATIONALLY REPRESENTED BY HEARST INTERNATIONAL ADVERTISING SERVICE
RODNEY E. BOONE, GENERAL MANAGER

RUBER

AUS
III



THE RUBEROID COMPANY (originally named, "The Standard Paint Co.") was founded in 1884, and its first product was Ruberoid Asphalt Paint, an insulating and protective coating still widely used in the electrical and industrial fields.

From one small factory and a limited number of products the company has grown until today it is one of the largest manufacturers of roofing and allied building products in the world. A typical installation is the roof of Chicago's huge Merchandise Mart, shown in the illustration. In addition to plants in foreign countries, it has over \$14,000,000 invested in nine factories in the United States.

Mr. Abraham says that for over 40 years the company has used business papers. That means far more than the mere statement that they began using business papers more than 40 years ago.

The Ruberoid Company has used a full business paper schedule *every year* for more than 40 years—and it has paid a dividend to its

stockholders every year for more than 40 years! The relationship of the two facts may be more than a mere coincidence.

The company's unbroken dividend record goes back to 1888, and in the ensuing period stockholders have received \$257.00 per share, or an average of \$5.71 a year. 1934 was not a good year in the building industry, but Ruberoid's net profit, after deductions for depreciation and taxes, was \$3.13 per common share.

Good products and good selling made this profit possible. Superimposed on an excellent sales force is the secondary sales force which Mr. Abraham mentions—business paper advertising—which gives to every salesman an assistant who inexpensively contacts customers and prospective buyers with a definite sales message of their own choice.

Number 15 of a Series

This is one of a series of analyses made by the SALES MANAGEMENT editors, acting for the publishers of the dominant business papers listed here. Others who have told why they use business papers and the results they have secured: General Electric, Bendix Aviation, Cannon Mills, Johns-Manville, Fruehauf Trailer, Bakelite, Gorham, Lincoln Electric, Liquid Carbonic, McCann-Erickson, Westinghouse, Ohio Brass, Green Shoe and Stewart-Warner.

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AMERICAN BUILDER AND BUILDING AGE, Chicago

ARCHITECTURAL RECORD, New York

BAKERS REVIEW, New York

BAKERS WEEKLY, New York

BOOT AND SHOE RECORDER, New York

BUILDING SUPPLY NEWS, Chicago

CHAIN STORE AGE, New York

COAL AGE, New York

DOMESTIC ENGINEERING, Chicago

DRY GOODS ECONOMIST, New York

ELECTRIC LIGHT AND POWER, Chicago

FLEET OWNER, New York

FOOD INDUSTRIES, New York

HARDWARE AGE, New York

HARDWARE RETAILER, Indianapolis

HOUSE FURNISHING REVIEW, New York

ICE CREAM TRADE JOURNAL, New York

IRON AGE, New York

JEWELERS' CIRCULAR-KEYSTONE, New York

LAUNDRY AGE, New York

MACHINERY, New York

SALES MANAGEMENT

RUBEROID:

BUSINESS PAPER USER AND DIVIDEND PAYER FOR 40 YEARS

The RUBEROID Co.

500 Fifth Avenue
NEW YORK

EXECUTIVE OFFICES

March 27, 1935.

Sales Management,
420 Lexington Ave.,
New York, N. Y.

Gentlemen:

Each year when we prepare our advertising budget, one of our first considerations is an adequate business paper appropriation.

This plan is followed for two reasons: first, because we believe the men who sell, specify or apply Ruberoid Roofings and Building Products determine to a large degree our volume; and second, because we have found that trade papers convey our message to these important groups effectively and economically.

To us, the use of business papers is like giving each one of our salesmen an assistant — an assistant that inexpensively contacts customers and prospective buyers with a definite sales message of our own choice.

For over 40 years, The Ruberoid Co. has used business papers. Our investment in them has given business dividends in good times and in bad. That is why trade papers are always our first consideration in making up an advertising budget.

Yours very truly,
The RUBEROID Co.

Herbert Abraham
President

/G.

Business Papers Our
First Consideration

Effective and Economical
Conveyor to
Important Groups

An Assistant
for Each Salesman

Dividends from
Business Papers
for 40 Years

AND FACTORY, New York
NATIONAL PETROLEUM NEWS, Cleve-
land
AND GAS JOURNAL, Tulsa
WEEKLY, Houston
GRESSIVE GROCER, New York
WAY MECHANICAL ENGINEER,
New York
TAURANT MANAGEMENT, New York
PROFITS, New York
ES MANAGEMENT, New York
EL, Cleveland
ES, New York

JUNE 1, 1935

Mr. HERBERT ABRAHAM, President and Chairman of the Executive Committee of The Ruberoid Co., has been with the company for over 30 years, and has been its head for 11 years. His early training was as a chemist, and he has been the creative genius behind many of Ruberoid's new products and technological improvements. He is the author of "Asphalt and Allied Substances," President of the Asphalt Shingle and Roofing Institute, and Chairman of the Code Authority of the Asphalt Shingle and Prepared Roofing Industry.

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"Jimmie Allen" air meet at Clover Field, Santa Monica, Calif., April 14, drew thousands of youthful club members—and more thousands of adult gasoline customers for Richfield Oil Co. (California), sponsor of the club plan and the radio program behind it.

Radio Gets 2,000,000 Boys into "Flying Clubs" for Oil Companies

JIMMIE ALLEN" has turned out to be a good gasoline salesman. Jimmie is really a radio character—a telegraph messenger hanging around a big airport, who has hair-raising airplane experiences over all parts of the world—but he has lined up nearly 2,000,000 boys and girls in his "flying clubs" and thereby hangs a tale of gasoline promotion for Richfield and for Skelly.

The "Jimmie Allen" program originated two years ago. Skelly Oil Company was first to put it on the air, from seven or eight local stations in the Middle West. Richfield Oil Company (California) took it up last September. Richfield Oil Company (New York) started it a month later.

They all use about the same type of sales promotion to make the program sell their products. It has resulted in calls at gasoline stations at least seven times by each of the boys who join the "club"—800,000 boys in California, about 700,000 in the Middle West and almost exactly 500,000 in the Richfield (New York) territory.

Since the promotion is entirely within the law, no boy is required to buy anything when he goes to the Richfield or Skelly stations; but the radio commercial always suggests that he stop when he is out riding with his parents or with some other automobilist. So station attendants believe their sales have been upped by these millions of calls.

In the New York territory, Richfield, through Fletcher & Ellis, used 16 stations, beginning with 15-minute programs five times a week. During the first few weeks the commercial urged boys to join the club. They went to gas stations and got, at weekly intervals: A pin, a "flight chart" containing interesting sugar-coated fundamentals about flying a plane, a membership card, a listing of their own

and their parents' names and addresses which entitled them to get a series of five simple lessons in flying mailed to them periodically by Richfield (and built up a valuable mailing list for dealers), a set of simple questions in the nature of an examination finishing up their "course" of lessons, and finally a certificate to hang on their room wall and a pilot's wristlet bearing their name on a plate mounted in a light loop of chain. Then the program ran a month to let the club idea simmer.

Later the company began issuing copies of a four-page tabloid newspaper containing a "Jimmie Allen" serial in 11 chapters. This again required a continuous stream of weekly visits by boys at Richfield gas stations.

The company also sold club members, at a cost price of 25 cents, the parts and instructions for building model airplanes. Then it encouraged local dealers to hold field meets at which club members displayed their models for prizes. At Hartford, Connecticut, the company shared with dealers the expense of hot dogs and soda pop for more than 3,500 lads.

In both the Skelly territory and

on the Pacific Coast, field days of the "Jimmie Allen" clubs developed into big outdoor parties. Sometimes these were held at airports, where flying shows by stunt pilots, speeches by mayors and chamber of commerce presidents and hubbub by brass bands—not to mention good plugs for sponsor gasoline from loud-speaker cars—gave the affairs much community prominence.

In the midst of the club business, each gasoline company took occasion to write a letter or two to the parents of each club member. Richfield (New York) in three months answered 25,000 letters outside the club routine.

Skelly is starting its third year of "Jimmie Allen" over its scattering of local stations; Richfield (California) has signed up for another 52 weeks and the New York company says its results have been good but budgetary strictures will shut off the program June 28 for the Summer.

Meantime about 2,000,000 youngsters are members of "Jimmie Allen" clubs, the number is increasing steadily, merchandisers are thinking up new promotions to hook into the show, and the serial writers are about to pass the 500 mark in grinding out one episode a day, five days a week, 52 weeks a year, for World Broadcasting System to convert into electrical transcriptions.



Prize winners in one of the "Jimmie Allen" model plane building contests.

SALES MANAGEMENT

UNDERCOVERAGE~by 48 percent



The population of Oklahoma and Texas is 1.6% greater than that of Michigan and Indiana, in spite of the fact that these states contain the fourth largest city in the United States.

But the weekly magazines have a circulation 48.9% less in Oklahoma and Texas than in Michigan and Indiana.

This means but one thing . . . that a national advertising campaign in weekly magazines is passing up a fertile sales territory in the Southwest unless The Farmer-Stockman's 203,448 subscribers are added to that weekly magazine audience.

The FARMER-STOCKMAN

OKLAHOMA CITY, OKLAHOMA

203,448 ABC Circulation in Oklahoma and North Texas

JUNE 1, 1935

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10,000 Housewives Tell Which Ads They Applaud, Which Frown Upon

(Continued from page 680)

ber of unfavorable votes in the group went to Listerine, where the score was 47 favorable; 111 unfavorable.

Makers of soaps and cleansers might well congratulate themselves on two scores. Their ratio of favorable and unfavorable mentions was 78 (the grand average of all products was 77) and their high index number was 191—as against a par of 100.

Advertising of alcoholic beverages doesn't seem to have interested women very much. Advertisements of these products were mentioned only 15% as often as cigarettes, for example, although the ratio of favorable mentions to the total is almost identical, roughly, one favorable to one unfavorable.

Advertisements of house furniture and furnishings, and radios and musical instruments were received favorably, so far as percentages went, as 87% of the mentions were favorable; but in relation to advertising money invested, the number of mentions was well below the average.

Advertisements of automotive products including tires, received approximately 5% of the total mentions, and the favorable mentions represented 89% of the total; but in relation to money invested automotive products, and the closely allied petroleum products, received a relatively low rating. This does not mean, of course, that women are not interested in advertising of this type, but it seems to be true that when given the "world" to choose from as they were in this question, they are more likely to remember the things they buy frequently, such as foods and cigarettes.

Ranking of Firms Receiving 50 or More Total Mentions

In further breakdowns of this survey, to appear in succeeding issues, we shall show the answers given by these 10,000 women as they apply to products receiving five or more mentions. In a table printed with this instalment we give a ranking of companies receiving 50 or more total mentions, ranking being given by total number of mentions and in the ratio of favorable mentions to total mentions.

In this consolidation the mentions of individual products or divisions of such companies as General Foods, General Motors, Standard Brands, Chrysler Corporation, *et al.*, have been thrown together to give a company

rating. It is especially interesting to note that the three largest cigarette companies are included among the first seven in total mentions, but that all three have a very low rating in the ratio of favorable to total mentions. A possible reason why the three cigarette companies have such a large total of mentions is that a large proportion of the expenditures in the industry is concentrated among these three companies, whereas food advertising is split among hundreds of products and companies. Many of the large food companies stand high in both rankings and Standard Brands was the only one to receive many unfavorable mentions.

The Charles B. Knox Company carries off the honors among the companies receiving a large number of mentions, with a perfect score of 69 favorable and no unfavorable mentions. Del Monte's showing was perhaps even more impressive—250 favorable against a solitary unfavorable mention. Campbell received 251 favorable mentions under that name, 345 as Campbell soup, 18 more specifically for their tomato soup, 8 for vegetable soup, 1 for vegetable and beef soup, 1 for cream of mushroom, 1 for pea, and 1 for their canned

beans. Del Monte received 290 favorable mentions under that name, and the balance was split among 12 products.

Heinz received almost as many different kinds of mentions as you would expect from the fact that they have 57 varieties, for in addition to 242 favorable mentions of the mere name Heinz, there were scattering mentions of 15 individual products.

Concluding chapters on this survey will cover (1) comments about advertising made by 10,044 women, with special emphasis on what they like and what they dislike; (2) a list of the foods, food beverages, confectionery, soft drinks, soaps and cleansers receiving five or more mentions—together with tabulations showing the relationship between mentions and advertising expenditures and, (3) the same data for drugs and toilet goods, cigarettes, and automobiles.

Detailed breakdowns of this survey among 10,000 women are available through the Market Research Corporation of America, Rockefeller Center, New York City, by age groups, income groups, city sizes, sections of the country, and magazines found in the home.

* * *

Corrections in May 15 Survey: Table 1, page 623, 3rd column: Second figure should be 44% instead of 14%; Table 2, page 623, 5th column: second figure should be 38% instead of 58%.

Rexall Warehousing Plan—Threat?

(Continued from page 673)

confounded by the distribution problem which faces them, knowing as they do that certain of the chains and the more prominent of the wholesalers are aggressively pushing their "own" brands.

Their attention has also been caught by another significant statement included in the United Drug annual report, to the effect that extensive research work has been carried out by the company, "first, in the scientific end of production in all departments, and a new research laboratory is being constructed solely for that purpose; and second, in connection with the Rexall stores which have the agency for our trade-marked products, we have established a Survey Department for improving merchandising methods."

Manufacturers also see in this new type of warehouse their old arch enemy, "back-door jobbing," masquerading in new garb. They recognize that the old line wholesaler is responsible for some \$400,000,000 or \$500,000,-

000 of sales and that, for him to continue in business, he must have an adequate spread between his cost and selling price.

If United Drug is successful in its program of expansion into the wholesaling field, it will probably lead to a number of changes in the distribution of goods to the retail drug trade. First, there will possibly be an increasing amount of direct selling on the part of manufacturers. Second, there is the possibility that manufacturers may cut down on their discounts to chains, the assumption being that if the chains can afford to give away to retail agencies the greater part of the "insides" they get from manufacturers, then they might as well shorten the discounts. And third, manufacturers may experiment with other forms of mass distribution which would entail complete elimination of the old line wholesaler.

One such experiment is already under way, and that in itself is a story.

Talking Points

BIRELEY'S California orangeade is "bottled fresh daily by the quality dairy in your community. Flip the cap and it's ready to serve . . . At your grocers or from your milkman in quarts." Dairy men have an enviable reputation for clean, healthful products. Consequently, when they distribute Bireley's orangeade it's a convincing stamp of approval.

SHELVADOR refrigerator, owned by Crosley Radio Corporation, gets into a boiled shirt and the tallest of high hats and declares, "Gowns from Paris, Guests from London . . . Dinner from the Shelvador . . . And not a lorgnette is lifted, nor a monocle dropped, when the hostess (as she invariably does) calls prideful attention to the patented features that make the Shelvador." Coming down to earth, lest Mr. Averageman get scared and drop his monocle, the ad points out the Shelvador is not costly, "Popularity Keeps the Price Down." Just too, too, toney is, however, likely to be Averageman's reaction.

A bright red apple to the PENNSYLVANIA GRADE CRUDE OIL ASSOCIATION for the apt simile, "Horse collars like these are tough to lubricate. Horse collars—the modern kind—piston rings! These tiny circles harness the might of 60 to 100 horses . . . Pennsylvania motor oils . . . keep these vital parts from 'gumming up' or wearing away . . . Sure protection . . . Safeguarding these assurances are (1) the research laboratory of the Association at State College, (2) a national field force, and (3) each member's individual surety bond."

SLEEPER PRODUCTS, INC., Chicago, runs a 10-ton steam roller 31 times over its "Perfect Sleeper" mattress. "What happened? Nothing much beyond the accumulation of dirt on the damask cover . . . Retained its shape . . . padding hadn't shifted . . . Springs . . . upright, still firmly anchored . . . resilient as ever." In trade paper ads the company urges retailers to try the same test "if you're a bit in doubt and have a road roller handy . . . No wonder the list of distinguished stores carrying and booming the Sleeper line sounds like a roll of 'Who's Who in Retailing.'"

PEQUOT MILLS, sheetmakers, have a reply for folks who say, "Your

price is too high." Pequot are "better sheets—so they cost less. You may pay a few pennies more to start with . . . Every few years you ordinarily have to spend money to replace worn-out sheets. But when you've used Pequot a few years they're still young and strong. You save all the cost of new ones."

HOLLOWAY'S gin adapts a slogan long employed by Fatima cigarettes: "What a whale of a difference just a few cents make." The gin version is, "Jeeves will now put 1c. in the shaker. One cent more per cocktail, but man, what a difference that one cent makes! Compared with average-priced gins, Holloway's costs no more." Two examples of how to tell a familiar story in slightly different language.

PARKER PEN COMPANY'S Quink "contains a secret, harmless ingredient that dissolves the dirt and sediment left in your pen by ordinary inks . . . Makes a pen a self-cleaner—a Parker Pen, or any other. Cleans as it writes."

PRATT AND LAMBERT'S "61" floor varnish has tidings of great joy for everyone who has skidded and sprawled on slippery floors. "There's not a slip in an acre of floors finished with '61.'" As one who has many a time and oft given an imitation in the parlor of the Skater's Waltz, while unshod with skates, the editor calls non-skid "61" a public benefactor.

How come that cake was barely nibbled by the guests? Agonized housewives may blame the cook, the flour, this, that and t'other. J. A. WRIGHT AND COMPANY, Wright's silver cream, knows the answer: "The fork. Tarnished silver looks unappetizing and even tastes unpleasant." Shine 'em up with Wright's cream and they'll lick the platter clean, is the moral.

ARROW SHIRTS, Cluett, Peabody & Company, suggest that men who have been getting their haberdashery from Lunnion can do better right over here. "It used to be Bond Street, Olympus of style, birthplace of all that was best, and smartest, and newest in shirts. Today Bond Street must bow to America. Today, Arrow is the most significant label that can be sewn in a shirt." Therefore a modern Beau Brummel is pictured telling a custom inspector examining his trunk, "You're darn right I bought them in America!"

"Balance . . . sensitivity . . . trustworthiness . . . a true sense of direction"

that's why

THE **American** MAGAZINE

• • • carried 45 new advertising accounts . . . 35 accounts with increased schedules . . . 60 exclusive accounts in the general monthly field, First Quarter, 1935.

* * *

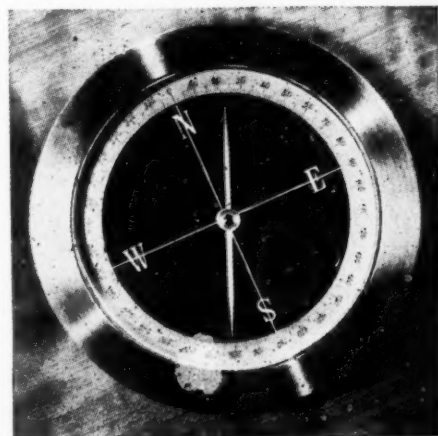
• • • led the general monthly field on food products—in pages, revenue, and number of accounts—1933 and 1934.

* * *

• • • carried more food products pages and accounts, 1933 and 1934, than any weekly, with one exception.

* * *

• • • carries twice as many travel accounts, this year, as in 1934.



Companies Participating in This Round Table

Planters Nut and Chocolate Company, Suffolk, Va.
Hygrade Sylvania Corp., Emporium, Pa.
Igleheart Brothers, Inc., Evansville, Ind.
Iroquois China Co., Syracuse, N. Y.
Southwest Battery Corp., Oklahoma City, Okla.
American Electric Co., St. Joseph, Mo.
Taylor Instrument Companies, Rochester, N. Y.
Keystone Macaroni Mfg. Co., Lebanon, Pa.
Hazard Lead Works, Brooklyn, N. Y.
Vaughan & Bushnell Mfg. Co., Chicago
Pennzoil Co., Oil City, Pa.

Prest-O-Lite Battery Company, Inc., Indianapolis, Ind.
Marathon Razor Blade Company, Inc., Irvington, N. J.
Hart Drug Corp., Miami, Fla.
Lee Clay Products Co., Clearfield, Ky.
Moorman Mfg. Co., Quincy, Ill.
Martin Band Instrument Co., Elkhart, Ind.
Hy-Gien Laboratories, Inc., Amesbury, Mass.
S. K. Smith Co., Chicago
Marvin-Neitzel Corp., Troy, N. Y.
Pacific Manifolding Book Co., Ltd., Emeryville, Calif.

How 20 Firms Handle Ticklish Credit Problems by Mail

Part III of an Article in Three Parts

THE fact that bad debts occupy a small place on the books of the firms joining in this credit letter symposium is attributed, first, to the inherent honesty of American business. Secondly, the credit managers of these companies see to it that full credit information is secured before orders are accepted.

Despite the fact that the average man pays his bills promptly, a few chronic "dead beats" exist. No company wants them as customers; and it is the credit manager's job to separate these goats from the sheep before they become either "delinquents" or "total losses." It is better to be safe than sorry, is an ancient axiom which still chimes with a refreshing sound to credit men's ears.

G. P. Tinkham, general sales manager of the Saginaw Stamping & Tool Company, Saginaw, Michigan, sums up the attitude of a number of companies participating in this exchange of ideas with the following opinion:

"We do not have any bad credit customers . . . We make sure, before accepting an order, of the credit rating of our customer. By using this method, we have less than 1% of our business which is difficult to collect."

Not all concerns are so fortunate as the Saginaw company, but all of them can take similar precautions. How best to go about obtaining this information is a delicate problem. A prospective customer may be touchy; if he has an unblemished reputation, he may resent even a routine questioning of his financial integrity. Just as there are other ways to kill a dog besides choking him to death with butter, so there are several methods of getting information

without offending a new customer or prospective customer.

The Hazard Lead Works, Brooklyn, New York, writes this to a buyer with whom relations are just beginning:

We welcome you as one of our new customer friends and thank you for your first order just received thru our salesman, Mr. Jones.

We welcome the opportunity of supplying you with some of your requirements in our line, but, unfortunately, we have not been able to secure sufficient credit information to meet our credit requirements in shipping your order on regular credit terms.

To facilitate immediate shipment, might we suggest that you allow us to fill this first order on a cash basis? For this purpose, we enclose proforma invoice less 2% cash discount.

You can send us your check for the full amount or, if you so desire, you can send us a check for 20% of the amount and we can arrange to ship your order on an order notify basis for the balance.

With your check, might we suggest that you send along the names and addresses of three references who are now supplying the bulk of your purchases on credit terms?

This will give us an opportunity to look into the matter further with respect to further consideration of credit terms on your future orders. It will enable us to become better acquainted.

We desire to cooperate and will appreciate hearing from you by return post.

Taylor Instrument Companies, Rochester, New York does not use a form letter where it has to tell a customer that the credit information is insufficient, according to C. G. Beardsley of the T. I. C.'s credit and collection department. "We dictate a special letter in which we review the facts as disclosed by the report, and suggest either more complete information or cash in advance," says he. A typical letter used by him:

Within the next few days we expect to have your order for thermometers ready for shipment.

As this was your first transaction with our company, it was, of course, only natural that we should want to make the usual credit inquiries, which we did. The reports we have received disclose a condition which has been common to a good many concerns these days; namely, that they have been laboring under extremely trying financial conditions.

We realize, however, that it is not always possible—nor fair—to judge a concern from outside reports and we are, therefore, coming to you direct for information which will allow us to approve your order on our regular terms or for some suggestion as to financing the transaction.

It would, of course, take a few days to hear from any references you gave us and for that reason you might, in this one instance, prefer to mail us your check for \$. . .

Please understand that this letter implies no question of your standing. We merely approach you for the purpose of discussing the subject in what we thought was a straightforward, yet courteous, manner with the idea of arriving at a mutually satisfactory solution.

May we have your reply by return mail, please?

Disposing of Initial Orders

Southwest Battery Corporation, Oklahoma City, Oklahoma, employs a somewhat similar approach, politely asking that the first order be on a C.O.D. basis. However, the corporation's credit manager puts some excellent selling arguments into his letter:

Thank you very much for the order for 180 batteries which you were kind enough to give our Mr. Brown a few days ago. We have carefully reviewed the financial statement you sent us and have tried, thru other sources, to build up a complete credit file.

However, we are sorry to say that we have been unable to develop sufficient satisfactory information to cause us to feel justified in taking care of your requirements from us on open terms. As every day's delay may mean to you loss of sales and consequently profits, we are asking that you give us, at once, your permission to make shipment on C.O.D. terms. The very substantial percentage of profit and the many other advantages offered by the USL line certainly justify you in carrying the investment over a period of possibly 30 days longer than you had originally planned. Just as soon as we receive your approval for handling the account as mentioned above, the order will be given our best attention.

Thank you for an early reply.

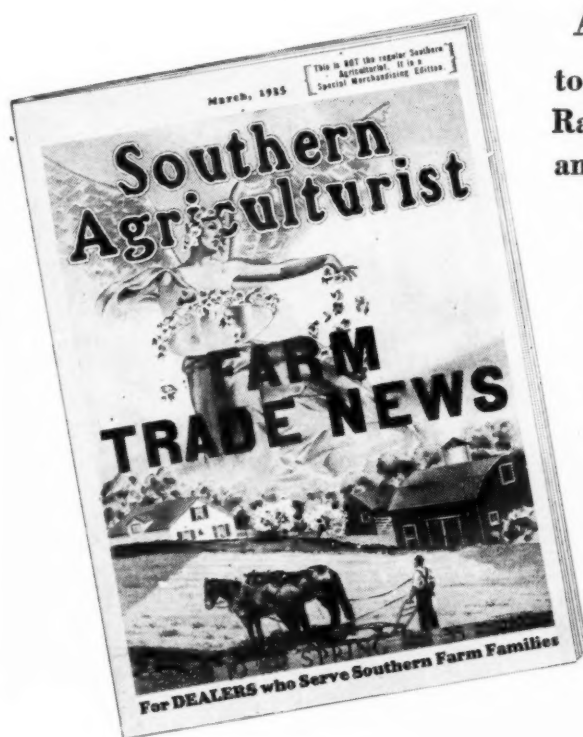
A Middlewestern company cloaks a demand for trade references under the diplomatic phrases of serving the customer promptly. An initial order may grow into a whole series of them, and therefore it is important that first impressions on the client be favorable. The letter:

Your letter of January 10 does not give the necessary information for establishing your company on an open account basis.

Will you please give us some trade references to which we can refer. In this way we can give the information to our credit department for investigation and on future orders there will be no delay.

559 Jobber's Salesmen Use Southern Agriculturist As Sales Aid with Trade

Southern Jobbers are giving a new and strong type of cooperation to manufacturers who advertise to the 800,000 Southern Agriculturist subscribers by sending to each of their salesmen a copy of Southern Agriculturist each month, with a letter calling attention to the advertising of the lines they are selling.



And Our Dealer Trade Edition

to Hardware, Implement, Drug, Grocery, Radio, Auto Accessory and Other Important Outlets.

1. Carries your own message to the Jobber Trade.
2. Acquaints your Salesman with consumer effort in *his* territory.
3. Informs your Dealer Outlets and prospective Outlets of your consumer sales efforts in their behalf.
4. For this purpose 25,000 copies of Southern Agriculturist FARM TRADE NEWS are regularly used to merchandise your product to Southern Trade.

Strengthening this cooperation still further, personal calls by Southern Agriculturist representatives are made on Jobbers and Branch Managers in leading Southern cities.

This complete merchandising service, reaching Jobber, Dealer and Subscriber, is regular cooperation given advertisers, and is exclusive with Southern Agriculturist. Let us tell you how we can apply this service to your Merchandising Problems.

SOUTHERN AGRICULTURIST

Circulation Over 800,000

B. KIRK RANKIN, *Publisher.*

NASHVILLE, TENNESSEE

NEW YORK OFFICE,
919 Graybar Bldg.,
420 Lexington Ave.,
Austin LeStrange, Mgr.

DETROIT OFFICE,
2-123 General Motors Bldg.,
Richard L. Hobart,
Manager.

CHICAGO OFFICE
1205 Carbon & Carbide Bldg.,
230 N. Michigan Ave.,
Frank S. Whitman, Mgr.

SAN FRANCISCO
REPRESENTATIVE,
Don Harway,
155 Montgomery St.

We do not like to go entirely by the regular commercial agency ratings of your company and would, therefore, appreciate your giving us some trade references, as we think the people you do business with regularly will undoubtedly give our credit department enough information to establish you on an open account basis.

American Electric Company, St. Joseph, Missouri, opens relations with dealers who are going to take on the company's wares by insisting on full financial data. Tactfully, A. E.'s credit manager writes:

We thank you for the courtesies extended our Mr. Jackson, and are glad to have his information that you are interested in the Meadows washing machines. . . .

Anticipating your handling our line, and inasmuch as we have had no previous account with you and do not find your name appearing in Dun & Bradstreet, we are enclosing the customary financial statement blank and shall appreciate your courtesy in filling it out and returning it to us. It may be that you have just recently started in business, which would account for your name not yet appearing in mercantile books.

Virtually all companies allow a certain discount for prompt payment. Wise customers take advantage of this premium, for, in the course of a year, a small saving on every order totals a considerable sum. Virtually all credit managers are also occasionally troubled by customers who deduct this discount, *although the time limit has expired.*

"Two per cent discount for payment within 30 days" is good business practice for both parties. When the 2% is taken off after 40 days have passed, it is unfair. Woe to the credit man, though, who flies off the handle when such a deduction is made. He cannot afford to anger the customer. The

latter may have made a mistake; he may be misinformed. The chances are he is not a petty chiseler. Therefore, a letter of reproof and explanation should be judiciously worded; it should inform, not antagonize the erring customer.

Prest-O-Lite Battery Co., Inc., Indianapolis, Indiana, says G. F. Bohan, credit manager, finds the following gentle chiding effective:

Thank you for your check No. 589, dated March 10, 1935, in the amount of \$551.22, received in yesterday's mail, apparently in payment of the February account of \$562.35.

In comparing the amount with the statement, we find that you have deducted \$11.13. This is the 2% discount, which is allowed only when payment is received on or before the 10th of the month following invoice date. Since your check was mailed twelve days after the discount period had elapsed, we conclude that this deduction was merely an oversight.

It is obvious that in this particular case the amount involved is not very large, nevertheless in a business like ours, where thousands of accounts must be considered, a general disregard for invoice terms would aggregate a considerable sum. Equally, it is our aim to be fair to all our customers. Allowing erroneous discount to one would be an injustice to all others who adhere strictly to our terms.

Confident that you will appreciate this viewpoint, relating to your business as well as to ours, we are returning the envelope that accompanied your check postmarked March 21, together with our charge-back memorandum No. 284 in the amount of \$11.13.

Will you kindly see that the necessary correction is made and your check mailed in the amount of \$11.13 to cover? Thank you.

Naturally, all credit managers review the circumstances of each case and alter their letters to fit individual re-

quirements, as E. T. Reid, of the sales department of Hygrade Sylvania Corporation, Emporium, Pennsylvania, points out. The following letters from that company serve as models which are "tailored" to varying conditions:

This is to acknowledge receipt of, and thank you for your check No. 20381, amount \$63.70, which was received here on March 22 in payment for invoice of February 12 amounting to \$65.00, less 2% cash discount.

It is quite evident you have overlooked the fact that this check should have been forwarded on or about March 10 in order for us to allow the cash discount; but, inasmuch as it was not received here until March 22, it is necessary for us to return the same to you herewith for correction, and would request that you kindly issue a new check for \$65.00, the full amount of the invoice.

We do realize that your check is actually dated March 10, but it was about two weeks late in reaching us.

* * *

We have received this morning, January 2, 1935, and thank you for, your check No. 5706 for \$518.17 in payment of your November account, less \$10.58 cash discount.

We regret that we are unable to accept at this time remittance for the November account and allow the cash discount deduction, and are therefore returning your check herewith with the request that you kindly send us a corrected remittance for \$528.75.

We are sorry that it is necessary for us to do this, but, in view of the fact that your remittances have always come in from one week to ten days after the due date for cash discount, we are now obliged to request that in order for us to allow the cash discount your remittance be mailed to us by the 15th.

Trusting that in the future you will be able to do this, and thanking you for all past favors, we are

Yours very truly,

Marathon Razor Blade Company, Inc., Irvington, New Jersey, raps the knuckles of customers who try to impose by taking unearned discounts, but says, in effect, "Go and sin no more. You are forgiven just this once." The assistant treasurer signs the letter reading:

Thank you for your check for \$00.00 received March 14, 1935, which is being applied to our invoice of February 13, 1935, \$00.00.

Although our standard terms are 2%-10, net 30 days from date of invoice, we note that you have availed yourself of the 2% cash discount, although your remittance was not received until 19 days after the discount period had expired.

Discounts offered for payment within a stipulated time are valuable in business only so long as they are properly earned. Otherwise terms of sale are useless and their disregard can only lead to confusion.

We have accepted your check in this instance in full payment of the invoice in question, but we are obliged to notify you that we cannot accept such deductions in the future unless they comply with our terms of sale.

Pacific Manifolding Book Company, Emeryville, California, goes to some lengths to show a customer why it can-

(Continued on page 703)



New Roles for Mickey: There's no let-up in the popularity of the versatile M. Mouse. Knickerbocker Toy Company combines the famous cartoon character with cowboy costume and, presto! a doll that compels kids to plead, "Papa, buy me one please, Papa!" The clown Mouse is also selling like the proverbial hot cakes. It's the first time that Walt Disney's creation has been all dolled up.



And..SELL 20% MORE FOOD For Your Advertising Dollar!

It is just as easy now to select the farm women who cook for big families of hearty eaters as it is to reach the city women who cook for 20% smaller families (when restaurants aren't doing the cooking for them). Why not do it? Learn the *easy* way to sell to 1,050,000 of these farm cooks—selected for their buying power. It is easy to do if you use The FARMER'S WIFE Magazine!

**ONLY ONE MAGAZINE IS WRITTEN FOR THE 40%
OF AMERICA'S WOMEN WHO LIVE IN RURAL AREAS!**



NO COINCIDENCE!

There are good reasons why The Farmer's Wife's circulation map agrees with the farm-wealth map so closely! Our circulation system is uniquely effective in concentrating the circulation in the wealthy farm counties, weeding out low buying power at the start.



A SCORE of women's magazines compete for coverage, and duplicate one another, in the town and city market, sending minor portions of their circulation out to the country. Only *one* magazine is concentrated in the area where income has nearly doubled in the last two years and where packaged food sales are booming—the farm area.

It is THE FARMER'S WIFE Magazine. It is not surprising that no other magazine has such popularity on the farm—for no other

women's magazine is edited for farm women. Not another women's publication in America recognizes the obvious fact that the home-making problems of farm women are different from those of town and city women. Smart, up-to-date and clever as any city woman, the farm woman still cooks without gas, lives miles from the nearest doctor, and sends her children long distances to school. Only THE FARMER'S WIFE is edited to give the farm woman the reading that interests her most—written around *her* life.

The FARMER'S WIFE Magazine

The Woman's Magazine with the Fastest Growing Reader Income!

NEW YORK
405 Lexington Ave.

CHICAGO
307 N. Michigan Ave.

ST. PAUL
55 E. 10th St.

SAN FRANCISCO
155 Montgomery St.

JUNE 1, 1935

[697]

Resale Price Maintenance Battles Intensified by N. Y. State Law

Washington, D. C., May 27
THE curious coincidence of the passage of the Field-Crawford bill by the New York State legislature, legalizing resale price maintenance, and the discussion of the "Yardley Price Policy" at Federal Trade precipitated many interesting questions of importance to advertisers and manufacturers. (See SM, May 15.)

First: Does this state legalization exempt Yardley from "orders to desist" by Federal Trade?

Second: Have other states enacted laws permitting resale price maintenance practices?

Third: Where is the line of demarcation between "interstate" and "intrastate," if a group of adjoining states hold the policy legal by law?

Fourth, and most important: Is there a good pertinent example to illustrate probable future action in the Yardley case in the event Yardley fights the case in court?

With this set of questions as a working base, the following data have been brought to light. To answer my own questions categorically and briefly: The first answer is "No" due to the fact that Yardley sales extend beyond New York State, hence involving interstate commerce. The second question is answered affirmatively, Washington, New Jersey, California, Oregon and Wisconsin having resale price maintenance laws. The third is clarified by the fact that all forty-eight states might have legalized resale price maintenance and, without a Federal law, still would not permit a firm to escape the jurisdiction of the Federal Trade Commission, since they are all "intrastate" units and commerce between them remains "interstate." The last question was answered during conversations with Federal Trade officials.

The "Pertinent" Example

The "perfect" case is Federal Trade vs. Hills Bros. of California. Hills Bros., coffee importers, had headquarters in California, a state which had legalized resale price maintenance. Red Can and Blue Can coffee were their brands, 54% of which was sold within the state, the other 46% being marketed by distributors in neighboring states.

In November, 1920, Hills Bros. adopted a resale price maintenance policy. Shortly afterward, the Federal

Trade ordered them to desist. Hills went to court, claiming that Federal Trade had no jurisdiction in either California or Washington, where the bulk of their sales were concentrated. On January 4, 1926, Justice Rudkin, of the Circuit Court of Appeals, 9th Circuit, read a lengthy decision, upholding the Federal Trade Commission, reciting that Federal Trade had "jurisdiction over commerce, interstate in character, between the states of California and Washington and not limited nor controlled by decisions of the Washington Court."

Now, to get back to the current Yardley case, hearings on which are starting as this is written: There is a natural parallel between the cases, both seeking "to force upon retailers a minimum resale price" for their trade-marked goods. The entire Hills Bros. case may be found in "9 Federal Reporter, 2nd Series," page 484.

The Supreme Court's Precedent

Even earlier, the Supreme Court of the United States, in reviewing its earlier decisions, got to the crux of the entire resale price maintenance problem by stating simply but clearly in the case of Federal Trade versus Beech-Nut, "By these decisions it is settled that, in prosecutions under the Sherman Act, a trader is not guilty of violating its terms who simply refuses to sell to others, and he may withhold his goods from those who will not sell them at the prices which he fixes for their resale."

But, and this is the "nub" of the decision, "He may not, consistently with the Act, go beyond the exercise of this right, and by contracts or combinations, express or implied, unduly hinder or obstruct the free and natural flow of commerce in the channels of interstate trade."

The Supreme Court continued, "From this course of conduct a court may infer, indeed cannot escape conclusion, that competition among retail distributors is practically suppressed."

FLASH! Late on Tuesday afternoon, May 28, the Senate passed the revised Copeland Food and Drug Bill after only fifteen minutes' consideration. It is generally believed that the bill will have reasonably clear sailing in the House, and that the President will approve.

"Vogue" to Defend Its Editorial Plan Against "Unfair" Trade Charge

Vogue and the Federal Trade Commission disagree as to what constitutes "restraint of trade" and "fair competition." The Commission establishes a precedent by issuing a complaint against Conde Nast Publications, Inc., because of the merchandising tie-up behind an editorial feature. "Vogue's Finds of the Fortnight," Conde Nast made a public statement, May 24, in which he said the Commission's "claim will be disproved when the company presents its case before the Commission at Washington on June 28."

The principal charges against the publishing company are that *Vogue's* practices "have a tendency to mislead and deceive its readers into believing that its research and recommendations as embodied in certain published articles are disinterested; also to deprive the public of benefits of normal price competition among retailers by constraining the latter to sell at prices arbitrarily fixed by the publisher and certain manufacturers."

The complaint says *Vogue* selects garment styles to be played up editorially, and, by agreement with manufacturers, limits the sale of these garments to selected retailers; fixes retail selling prices—to be maintained for at least one month after publication; prohibits the sale of the garments in any other stores for two months; collects 5% on every sale.

Mr. Nast says the 5 per cent is "a service fee paid by the manufacturer to the publisher to reimburse the publisher in part for the expense to which the publisher is put in carrying out the rather elaborate selling arrangements." The "Vogue's Finds of the Fortnight" editorial department is "not conducted at a profit," but as a valuable service for which readers had asked.

As to price fixing, Mr. Nast contends: "It would be manifestly unfair to its readers for the magazine to publish a list of stores at which the dresses illustrated may be bought at prices specified in the magazine, and then to permit some merchants to ask greater prices than others and thus give the lie to the magazine. Whatever restraint of trade is involved during this short period is reasonable and lawful."

He "emphatically denies" that there is anything in the conduct of "Vogue's Finds of the Fortnight" that tends to mislead or deceive readers.

SALES MANAGEMENT

MEMO TO SALES and ADVERTISING MANAGERS . . .

Jacksonville and its trade area form the largest and most productive year-round market in Florida.

Jacksonville's (and Florida's) largest and most influential newspaper is The Florida Times-Union, morning and Sunday.

Six out of seven literate homes within Jacksonville's city limits take the Times-Union—carrier delivered. And, of course, these homes represent the best six-sevenths of Jacksonville's buying power.

Times-Union coverage of the suburban zone is almost as intensive as its coverage within the city. The Times-Union is the only publication giving such dominant coverage of this urban and suburban market . . . to say nothing of its powerful selling influence within Jacksonville's large retail trading zone.

The Times-Union's average net paid circulation, six months ending March 31, 1935, was the highest in the history of any Florida newspaper:

DAILY . . 63,293
SUNDAY 69,605

Yet the Times-Union's advertising rates, established years ago when circulation was much smaller, remain unchanged. Today's circulation offers a 24% bonus over that on which the present rates were based.

The Florida Times-Union

LARGEST CIRCULATION IN JACKSONVILLE

Daily FLORIDA'S LARGEST NEWSPAPER *Sunday*



Snapshots

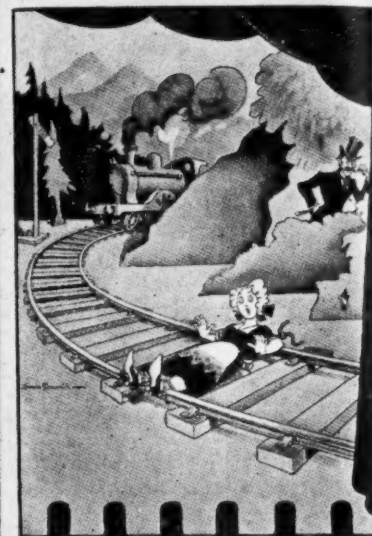
Overbuilding may plague real estate owners in some cities, but in St. Louis the Real Estate Exchange is cheerfully looking forward to a housing shortage. Realtor members of the Exchange are already warning, "In 1920, St. Louis people offered rewards to find a place to live," and reproducing want ads of that date. The cooperative campaign goes on to say, "Those who are familiar with real estate trends anticipate a longer period of high rents and prices . . .

Seven years or more! Buy real estate now—for protection—for profit."

GRAND VALLEY BREWING COMPANY, Iona, Michigan, offers "\$100 reward for the man who doesn't like Friars ale." Are you the man? A Rogues' picture tops the ad, which continues, "Somewhere in Michigan there must be a few men or women who don't like Friars ale . . . Drink three bottles. If you don't like it, write us a letter and tell why." It's the reverse-English of the usual contest, and should stir chronic grouches to action.

George, that elusive fellow who is

WHERE'S GEORGE?



—gone to
LYONCH!

He's always missing in the crises.

never seen because he has always "Gone to Lyonch," continues to vanish for the English chain of LYONS' TEASHOPS. His adventures have been running weekly in British newspapers for three years, attracting attention no end. Over 5,000 letters of applause, criticism and suggestions for other incidents have been received by W. Buchanan-Taylor, advertising manager of the restaurants. Race horses, a revue, several songs and a film have taken their names from the phrase, "Where's George?" George must be a bit of all right as a salesman, for the number of meals served by Lyons' jumped 200,000 last month over the same period last year.

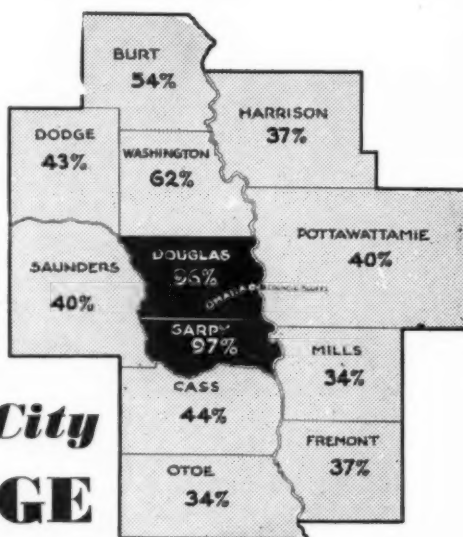
JOHN W. MCPHERRIN has been put in charge of a new Bauer & Black specialty department. He will direct merchandising activities.

ANGOSTURA bitters, a familiar ingredient of convivial beverages, is endeavoring to widen its market. A \$5,000 prize contest is now under way for food recipes using the bitters. "Rice pudding Angostura" is cited as the pet recipe of a Waldorf-Astoria chef, and housewives are invited to surpass his culinary art.

COLUMBUS ICE CREAM COMPANY equips its delivery trucks with sleigh bells. When you hear the tinkling bells, stop the driver and ask for "Town Crier ice cream." Thus a new product slides off to a fast start as the chimes carol gaily.

76%

Town-and-City COVERAGE of Omaha's Trading Territory



You can cover the Omaha territory thoroughly with ONE NEWSPAPER!

Of the 88,236 city-and-town families in Omaha's 12-county trade territory—including Omaha, Neb., and Council Bluffs, Iowa—67,175 are reached with the Omaha World-Herald! That's approximately 50% greater coverage than by any other newspaper!

In Omaha, alone, 96 World-Heralds are now sold daily for every 100 Omaha families! Even more important, 86% of Omaha families receive their World-Herald direct by carrier boy!

'Way ahead in advertising lineage . . . carries far more news . . . Wire-Photo service . . . is more active locally . . . leads all ways!

Total Circulation — DAILY 127,417; SUNDAY 125,320 (Feb. 1935)

O'MARA & ORMSBEE, INC., National Advertising Representatives

**Omaha
World-Herald**
1st IN CIRCULATION
IN ADVERTISING
IN NEWS
IN OMAHA FOR OVER 25 YEARS

MARYLAND CASUALTY COMPANY, Baltimore, turns publisher. Not a novel, its current best-seller is titled, "\$292,064,852," and is resplendent in blue and silver binding. The figure "actually pictures the 37 year existence of the company. It is the sum paid in claims and claim expenses . . . The extent to which the Maryland has contributed to business and industrial development, to public welfare and to society, is told in detail," a foreword explains. Recipients of the book will be titivated by sight of their names on the cover in silver letters.

Paint manufacturers, in the doldrums for the past few years, are perking up. DEVOE & RAYNOLDS, founded in 1754, said to be the oldest business house in the country, is jumping its ad appropriation more than 200%. Backbone of the campaign is a CBS twice-weekly broadcast over 36 stations. Special delivery letters to dealers and salesmen, plus broadside and display material, pound away on a budget plan by which the average home can be painted for \$5.75 a month.

Practically all cigarette manufacturers counsel, "Smoke all you want of our brand." Nationally, the more fags puffed, the greater their sales. BENSON & HEDGES, however, assert, "Smoke less! and with greater satisfaction." Whether this moderation policy will move innumerable packs of Virginia Rounds across store counters remains to be seen. At least it has the virtue of surprise.

"Best Friend" Campaign Wins New Friends for Lucky Strike

A "best friend" theme introduced in car cards and newspapers last February, and since extended to magazines and radio, has been instrumental in increasing sales of Lucky Strike cigarettes "5 or 6%" in this period, SALES MANAGEMENT has learned from executives of American Tobacco Company.

"We shall continue this theme," SM was told. "We expect the effects of this 'positive' advertising to be cumulative. Present indications are that the sales of Lucky Strikes in 1935 will exceed 36,000,000,000 units.

"Our promotion budget, on the other hand, will remain at about the level of last year—\$15,000,000."

American Tobacco executives expressed interest in figures prepared by

Market Research Corporation of America for SALES MANAGEMENT, appearing elsewhere in this issue, which showed Lucky Strike to rank highest among advertising of the three leading brands of cigarettes in "favorable" impressions on women throughout the country. The fact that one of these brands had made a greater total of "impressions" on this group of women—but more of them unfavorable than favorable—was thought to be definitely to the advantage of Lucky Strike.

The "best friend" theme was developed, it was said, because the principal effects of a cigarette are psychological. "We like to think of the tobacco business as performing a real service. This campaign accom-

plishes the dual purpose of telling, by a series of dramatic and human incidents, how tobacco can help to smooth awkward situations and to add to enjoyable ones, and by presenting specifically the merits of Lucky Strikes.

"In these times of stress and uncertainty, we think the theme is especially timely and constructive.

"It has proved a good friend to Lucky Strike sales, too."

As for other American Tobacco products, it was said, Herbert Tareyton cigarettes, newspaper advertising for which was resumed a few months ago, are doing well; Half and Half smoking tobacco, promoted on the radio, now ranks second in its field, and Bull Durham, almost without advertising, continues to widen its market.



● The May 1935 issue of Mill & Factory established two all-time records. No boom day issue of this magazine had so large a circulation . . . or so many pages of advertising. Such recognition by a record number of advertisers of the responsiveness of this constantly growing readership leaves little to be said . . . except that Mill & Factory rates as yet have not been adjusted to the increases in circulation.

MILL & FACTORY
A CONOVER-MAST PUBLICATION

Advertising Offices:

NEW YORK
205 E. 42nd St.

CHICAGO
333 N. Michigan Ave.

Magazine and Radio Expenditures

Special Report Compiled for SALES MANAGEMENT by Advertising Record Company, Chicago

CLASS	Product Classifications	NATIONAL MAGAZINES				NATIONAL NETWORK RADIO BROADCASTING			
		May Monthly Totals		May Cumulative Totals		Apr. Monthly Totals		Apr. Cumulative Totals	
		1935	1934	1935	1934	1935	1934	1935	1934
1—Automotive Industry	\$	1,713,978	\$ 1,665,120	\$ 5,163,855	\$ 5,361,176	\$ 332,597	\$ 337,919	\$ 1,529,287	\$ 1,278,274
2—Building Materials		331,448	267,378	1,098,257	911,510	17,210	7,120	94,264	25,661
3—Cigars, Cigarettes and Tobacco..		485,763	425,040	2,351,275	2,038,000	335,727	325,928	1,256,353	1,571,431
4—Clothing and Dry Goods.....		482,351	392,935	1,800,221	1,362,306	26,496	39,891	123,817	124,230
5—Confectionery and Soft Drinks..		261,860	164,597	977,914	580,491	152,861	128,426	707,761	545,109
6—Drugs and Toilet Goods.....		2,203,184	2,170,170	10,558,290	9,575,641	1,449,973	1,147,791	6,224,268	4,633,708
7—Financial and Insurance.....		336,447	265,602	1,304,870	1,003,067	42,964	62,808	177,664	248,872
8—Foods and Food Beverages.....		1,633,527	1,710,576	7,562,112	8,199,384	1,079,244	1,004,905	4,881,404	4,089,839
9—Garden and Field.....		68,259	60,832	416,153	320,485	5,499	10,940	21,200	27,440
10—House Furniture & Furnishings..		1,031,645	1,038,704	3,334,983	2,849,315	73,580	46,166	262,927	227,719
11—Jewelry and Silverware.....		174,462	190,361	395,975	384,569	4,328	Nothing	16,810	11,773
12—Lubricants & Petroleum Products.		386,958	227,788	907,804	753,419	282,383	240,859	1,081,265	1,011,794
13—Mach., Farm Equip & Mech. Supp.		79,087	44,575	311,301	156,132	Nothing	Nothing	8,494	15,040
14—Office Equipment		117,725	101,578	527,293	410,839	Nothing	22,984	52,719	126,852
15—Paints and Hardware		171,272	202,910	422,191	508,130	21,488	23,896	80,418	86,453
16—Radios, Phonographs & Mus. Instr.		104,675	100,478	456,863	422,364	94,650	44,923	377,548	175,931
17—Schools & Correspondence Courses		136,323	128,133	660,253	552,375	4,723	Nothing	8,190	Nothing
18—Shoes and Leather Goods.....		254,302	212,867	627,004	524,082	14,247	Nothing	47,449	Nothing
19—Soaps and Housekeepers' Supplies		734,462	710,661	2,803,050	2,864,397	213,041	189,764	807,821	667,384
20—Sporting Goods		194,961	184,431	533,916	469,881	Nothing	Nothing	Nothing	Nothing
21—Stationery and Publishers.....		174,655	148,975	811,833	759,920	51,167	30,948	174,914	75,287
22—Travel and Hotels.....		626,393	520,746	1,884,989	1,729,929	11,431	16,170	29,773	33,616
23—Wines, Beer and Liquors.....		323,290	315,853	1,402,618	877,539	28,551	46,010	107,028	134,433
24—Miscellaneous		336,594	335,666	1,556,556	1,248,533	47,196	18,043	131,871	64,514
		\$12,363,621	\$11,585,976	\$47,869,576	\$43,863,484	\$4,289,356	\$3,745,491	\$18,203,245	\$15,175,360

Note—The National Magazines checked total 77 publications, 11 weeklies and semi-monthlies, and 66 monthlies. The monthly totals on national magazines are based on May issues for the monthlies, but including *Vogue*. The other weeklies and semi-monthlies are April publications. All figures are based on the one-time or single insertion rate.

Note—The Network Radio Broadcasting figures cover all national or chain broadcasting carried over the networks of the National Broadcasting Company and Columbia Broadcasting System. The figures cover facilities only and do not include talent.

Custom-Tailored Ads Boost M-G-M Sales

(Continued from page 675)

"The advertisement got such a grip on me that I . . . scurried around and earned enough money to go to Atlanta—90 miles away—to see 'David Copperfield.'"

This picture ran for five weeks at the Capitol, New York, a record in the 16 years of this theatre, which usually runs its features for one week only. The M-G-M people could not give us attendance figures nationally, but cited this among other specific examples of sales volume built by the "tailor-made" plan.

Even among movie fan magazines, in which M-G-M spends about \$15,000 every month, the appeal is not standardized. For "No More Ladies," the upper strata of fan magazines are getting cartoons of the players by Alajaloy. The others are told about sex.

Just now, three months ahead of release, M-G-M and Donahue & Coe are at work on various appeals for "Mutiny on the Bounty." This, as you may recall, is a story of the South

Seas in the 18th century. In young women's magazines you will probably learn about "brown men and golden women." Readers of women's magazines will be attracted by the headline, "If I were a boy, I would go too." This ad will deal with the departure of the boy from England. In men's magazines, however, and in newspapers, emphasis will be placed on the mutiny itself and other action in the story.

Next to "David Copperfield," "The Barretts of Wimpole Street" was the most popular M-G-M picture of the year. It was given the next largest appropriation—\$100,000 in magazines, \$50,000 in newspapers.

Before signing the present six-months' outdoor contract, the company had tested the medium nationally with both "Chained" and "Reckless." This Summer outdoor will be used with other media for "No More Ladies," "Mutiny on the Bounty," "Marie Antoinette," and "The Good Earth."

Motion pictures are "sold" individually, with the story and the stars, and what the "exploitation department" can make of them, doing the selling. The movie companies have emphasized their own names, and have sought to make the public think that any picture which bears its im-

print to be worth dropping everything to go and see.

The difficulties of standardizing output, however, are numerous. Varying degrees of fame and effectiveness of stories and of players, and varying effectiveness of even good directors in instilling the proper amount of skill and enthusiasm in players, have caused people to continue to buy not the brand but the individual product.

Without attempting flamboyant boasting, M-G-M began, last January 2, an "institutional campaign." The campaign consisted of a half column once a week in New York City morning newspapers. Done in whimsical editorial style, it was called "The Lion's Roar." The lion is M-G-M's own Leo. He talks of many things, but mostly motion pictures. And now and then, when he thinks that M-G-M has done a particularly good job in some respect, he says so.

Here, too, was a made-to-measure job. Howard Dietz, who conceived the idea and who writes the column, thought New Yorkers would appreciate more "sophisticated" promotion.

But New Yorkers are not alone in their liking for humorous columns. The idea may be extended to other cities.

How 20 Firms Handle Credit Problems by Mail

(Continued from page 696)

not allow a discount where none is due:

When paying our invoice of you deducted as representing 2% for cash.

In making this deduction you overlooked our terms, which are net cash 30 days.

We do not extend a cash discount. In fact, we believe this is the usual policy throughout the printing industry.

The reason for this is undoubtedly due to the fact that printed matter is, to a very great extent, the result of work and labor.

We should appreciate your marking your records for future guidance and at your convenience remitting the small sum mentioned above.

Taylor's Tact

Taylor Instrument Companies courteously assumes that the customer has made an unintentional mistake in taking a discount after the time limit is up. Its credit and collection department writes:

We thank you for the above remittance and regret that we must return it because of a deduction of cash discount after the discount period has expired.

You will appreciate our position, we are sure, and will cooperate with us by correcting this check and returning it to us promptly. We shall be glad to accept postage for small differences, if that is more convenient, otherwise we assume you will prefer to make out a new check for the full amount.

One company, which requested the editors not to use its name, adroitly places coals of fire on the head of the customer who "unlawfully" takes a discount, by pointing out his unfairness to other customers:

Thank you for your check amounting to \$...., which we have applied against invoice of January 23.

We note, however, that you have taken 2% cash discount, although, according to our terms, this invoice was subject to cash discount only if paid by February 10; your remittance was received March 15.

While we are sure that your deduction in this instance was an oversight, you will appreciate that we would be doing our customers who settle promptly an injustice were we to allow you to deduct any discount.

In view of this we feel sure that you will see the matter as we do, and that your check for this small balance of \$.... will be received promptly.

Not all of the letters quoted in this symposium are applicable to every credit man's difficulties. Nevertheless, time-tested forms may be twisted, turned and shifted about to meet many individual circumstances. Letters which have worked for a score of representative firms, of almost as many industries, can be expected to function just as well for other firms in other lines of business.

JUNE 1, 1935

Why Did Your Competitor Get That Lost Sale?

YOUR SALESMEN lose more sales than they make—and *lost sales* are expensive.

But why do your men or your dealers often fail to click? Is it always their fault? Is it always price? Is it product design, or an intangible something which could easily be corrected?

Because of the defensive attitude of buyers, salesmen are rarely able to report the true reasons for lost sales. They can only tell you why they *think* they failed to close.

To reveal the truth requires a coordinated plan, careful and unbiased research and psychological methods of interpretation. Our method will yield—at a low cost—facts, enabling you to correct sales methods, cut sales costs, and *gain sales volume*.

● **YEARS OF EXPERIENCE** are brought to Market Research Corporation of America by Percival White, President; Pauline Arnold, Vice-President, and a staff of marketing, merchandising, psychological and statistical experts with 3,000 local investigators throughout America.

● **A COMPLETE SERVICE** is offered in marketing counsel and field research, a few types of which are: Market Analysis, Product Study, Copy Testing, Radio Measurement, Laboratory Stores, Consumer Investigations, Media Surveys, Dealer Cooperation and Price Structure Studies.

Market Research Corporation of America

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MEDIA and AGENCIES



Grocers' Friend

Several weeks ago the *Progressive Grocer* (hiding its pride under a flood of promotional tears) reported that despite a May issue largest in advertising volume among all May issues in its 13 years, the first five months of this year would be about \$67.90 short of the all-time record for that period.

The report was premature. As it happened, says Leonard Tingle, general manager of *PG*, the record actually was beaten by \$587.21. If you like precise figures, the volume for the five months (at \$300 a page, 12-time basis) was \$143,940.22.

For 23 consecutive months *PG*'s volume has beaten the parallel month of the year before. Last year's volume was about 2 1-2 times that of 1922.

PG has expanded not so much from new advertisers as from increased space from old. The advertisers are pretty loyal. Because 95 per cent of its business comes from agencies, they must have their reasons for being loyal, too.

And the reasons of both, of course, come from the readers. *Progressive Grocer*, it would seem, is doing a needed editorial job for its 75,000 hand-picked audience.

Fifteen years ago Leonard Tingle, who had been associate editor of *Hardware Age*, joined the advertising staff of Butterick's *Delineator* to do special promotion work on dealers.

Now, if you have only a couple of dealers to convince, says Tingle, you go to see them. If you have a hundred, you write them letters. If you have a thousand, you start a magazine.

Tingle had several thousand. He started an eight-page magazine. The magazine was sold to jobbers in several fields. They placed their imprint on it and passed it on to their better retailers. It worked pretty well but, Tingle thought, it covered too many fields. Why not specialize?

Despite the fact that there were then 72 grocery papers, the Butterick people decided to launch the 73rd. Food is the biggest business of all. There were 400,000 grocery stores. And none of the 72 papers was a large national publication.

The Butterick people felt that the grocers, confronted with the growing chain competition, should have a publication which would enable them to carry on. As Carl Dipman, editor of *Progressive Grocer* almost from the start, has explained, "the retail grocery business is a very local business. Wherever there are people, there must be food stores. The business is usually confined to a small local area. For that reason a retail grocer is local minded. . . . Besides, his business is one of infinite detail. Every grocer finds it hard to leave his store. He can't and doesn't, travel a great deal. . . . When *Progressive Grocer* was founded, there were literally tens of thousands of grocers in this country who had not seen a good grocery store, or even a picture of one."

"We could not cover all of them," Tingle explains, "but we did aim to reach the better ones, because 25% of the grocers do 65% of the total business. We aimed at a circulation of 75,000; started with

50,000. A few years later we increased our circulation to 75,000, where it now stands.

"*Progressive Grocer* has been edited consistently for independents. And yet the magazine is also read by all the grocery chains in the country. In a survey among chains made recently by one of the large national publishing companies—not ours—*PG* was mentioned four times as often as any grocery paper.

"Our editorial policy basically is the same now as it was in the beginning—to help the reader with all his problems of management—to help him to sell more goods and to make more money. Of course there are many individual problems—one very important one was the subject of store modernization.

"As a laboratory we decided to build a miniature model grocery store. We built it in movable units, scaled to inches. It was attractive. It also showed how 50 per cent of sales are made from 25 per cent of the floor space—and how to make all the space pay for its keep. We made photographs from this model store and used them in our editorial articles. We went, on invitation, to a jobbers' convention, and built a store before their eyes.

"Dipman was asked to take it around to other conventions. He traversed the country from one end to the other and back again, 'teaching teachers.' It did a lot of good, but it took time.

"Five years ago we published a little 96-page booklet called 'Better Grocery Stores.' The grocers read it, and asked for more. The next year we published a book on the same subject, entitled 'The Modern Grocery Store.' It went into three editions; sold 9,000 copies, or to one out of every 12 of our readers. We are now at work on a book called 'Modern Food Stores.' It will cover more recent developments in grocery store arrangement and display.

"We have also just released a film called 'New Days—New Ways,' telling why good independent stores have survived the depression, and what a grocer must do if he is to push ahead. These are extra curricular activities designed to help the industry and to add to the reader interest and prestige of *PG*.

"Once a year we enclose in *PG* a very detailed questionnaire on store organization and methods. It requires three or four hours to think out and fill out, and the grocer pays the postage to send it in. This year we got about 2,100 replies. Apply that proportion to a national magazine of 2,000,000 circulation—say 60,000 replies—and you would have a good response to an offer of a free sample.

"I could cite a lot of other examples of reader response. Not figures, nor formulas, however, but what you do with the minds of the people who read your magazine, is what counts. That, of course, cannot be measured. We believe the *Progressive Grocer* has had something to do with keeping a lot of merchants going these last few years. We think we have helped to make some of them profitable; to attract intelligent younger people to the business. We think we've given many a younger,

more practical, more aggressive viewpoint.

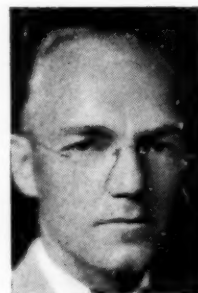
"Let me cite just one example:

"Dipman spoke recently in Holyoke, Mass. Afterward, a grocer of that section told him how, when he was about ready to give up, an article in *Progressive Grocer* about a grocer who had succeeded when everything was against him, caught his attention. He read every word of that issue, and got his brother to read it. They found that other grocers were succeeding, and decided that they had only themselves to blame. He started in to follow the practical suggestions in the articles, he re-modeled his store and went after business with more vigor.

"Today, instead of one declining store, he has three prospering ones.

"This man had never belonged to that association, but when he heard that Dipman was to be the principal speaker at its banquet, he dug up \$10 for dues and bought a banquet ticket too, because he wanted to see the man who had meant so much to his business progress.

"I like to think of him as a symbol of what a trade paper may mean."



Kaiden-Keystone
Leonard Tingle



Carl Dipman

Hearst's Drug World

The Hearst Business Publications, R. F. Gardner, business manager, has established *Drug World*, a fortnightly newspaper, tabloid size, devoted to the interests of manufacturers and wholesalers. Howard Stephenson, editor of *American Druggist*, also edits the *World*, with K. B. Hurd as advertising manager.

Radio Notes

The Transradio Press, news gathering and dispensing organization which supplies news bulletins to independent radio stations, is suing the two major networks, the A.P., U.P. and A.N.P.A., asking \$1,000,000 in damages, alleging that it is the victim of a combination and a conspiracy "which has excluded from the plaintiffs a large market for their services."

Columbia points with pride to the increase in Summer commercial broadcasting. Using actual figures for '33 and '34 and estimates for '35, it shows that its total day and night time sales for June, July and August jumped from 2 hours 48 minutes in 1933 to 3 hours 43 minutes in 1934 and 4 hours 31 minutes this year.

Building Supply News Promotes NHA

The June issue of *Building Supply News* carries a 3-page announcement of a prize contest designed to help building materials dealers exploit to the full the possibilities of Title 1 of the National Housing Act. The contest is for the best merchandising plans, and prizes offered include a \$1,000 truck, a free trip to Washington, and a range of cash and merchandise prizes.

SALES MANAGEMENT

New Media

Three executives of the *New Yorker*—Raoul H. Fleischmann, Eugene R. Spaulding and Harry T. Hatcher—are sponsoring the "Home Owners Handbook," a new medium for building and allied trades. It will be an annual book, priced at 50 cents, designed as a simple guide through the maze of technicalities involved in home remodeling or construction.

The American Cotton Cooperative Association issues today the first *American Cotton Grower*, a monthly going to members of the group, who pay a cash subscription on delivery of their cotton to the association. No advertising will be sold until the results of a membership survey are available.

Lineage Up

Newspaper lineage (Media Records figures from 52 cities) showed a 4.9% increase in April over the same month last year. Magazine and radio figures appear on page 702, this issue.

Looks like a big year for sports. The *Sporting News*, St. Louis, national baseball weekly, brought out on May 16 the largest issue in its 49 years.

Agency News

The S. O. of N. J. radio account has gone to Marschalk & Pratt . . . and BBDO gets the N. Y. State publicity account (not milk) . . . "That Fellow Bott" is now with Harvey-Massengale, Atlanta . . . A new agency in the Graybar Building, New York—Clark-Jacobs, Inc. . . . Wm. B. Remington, Inc., has joined the A.A.A.A. . . . Bermuda Trade Development Board account to N. W. Ayer.

Charles A. Holcomb has withdrawn from Wolcott & Holcomb, Boston, to join the Greenleaf Company . . . Zippo Wind Proof Cigar Lighters to the Moss-Chase Company . . . Hazel-Atlas Glass to Churchill-Hall . . . Frederick N. Dodgem, recently resigned sales manager of Harriet Hubbard Ayer, has joined Lambert & Feasley, Inc. . . . Alan E. Turner and Robert E. Daiger are now officers of Van Sant, Dugdale . . . the *American Home* account to Fuller & Smith & Ross.

Polish Everybody's Daily Uses Unique "Plug" for Food Show

Polish Everybody's Daily, Buffalo's aggressive foreign newspaper, developed an unique promotion angle for the recent Buflopol Food Show and Cooking School. Capacity crowds were said to have jammed the halls at practically each of the 13 sessions, and all exhibitors received a run for their money because general booth prizes and general show prizes were offered. Visitors in order to participate in these prizes had to visit each and every booth to deposit their coupons. This plan assured all exhibitors, regardless of the size of their space, a steady stream of visitors. The plan eliminated all possibilities of duplication of sampling. The show paid a liquidating dividend of 26%.

55 Advertisers Tell How They Would Choose an Agency

Advertising World, leading British advertising journal, invited views from 300 companies on how to choose an agency, and 55 replied with details. Recipients were asked to place in order of importance these

five factors: (1) Preparation of copy; (2) Service (marketing, research, etc.); (3) Conception of ideas; (4) Past reputation and knowledge of media.

In their replies, advertisers completely repudiated "reputation." First place went to "ideas"—by a big margin; in fact, the total votes more than equaled those for the other four factors combined. "Copy" was second; "knowledge of media" third; "service" fourth, and fifth, "past reputation." Past reputation was ranked first by only 3 out of 55 advertisers and second by one. Ideas ranked first with 30 out of the 55.

Happy Days Increases Size

Happy Days, "authorized weekly newspaper of the Civilian Conservation Corps," starts its third year of publication and celebrates by adding four pages. The tabloid

now will run 24 pages. Melvin Ryder, formerly with the *A.E.F. Stars and Stripes*, and Ray Hoyt are the editors and publishers. Headquarters are in Washington.

They claim a circulation of 35,000, but point out that "A million men during the past two years have read *Happy Days* in CCC camps. Many have sent their copies home to relatives and friends. "The paper is non-partisan, and it is not compulsory for CCC workers to subscribe. Advertisers include Chesterfield, Camel, Oh Henry, *News Week* and a number of firms offering CCC rings, jewelry, uniforms and other items required by foresters. Each CCC worker has about \$5 a month spending money. At present 350,000 men are enrolled in the camps. This number will be increased to 600,000. Thus, says *Happy Days*, its advertisers have made a much better check on their total market than other publications can offer. Lineage is growing rapidly.

1929 - - 119,740

1933 - - 124,937

1934 - - - 127,958

1935 - - - 133,158

Ahead of 1929 and Growing Every Year!

Most people look back to 1929 as a "peak" year. It wasn't a "peak" year for the circulation of *The Christian Science Monitor*—it was just a step in the progress of this sane, unbiased daily newspaper. More people are becoming readers of the *Monitor*, because more people are realizing their desire for the really important news of the day with its background, and its significance.

Above figures are A. B. C. for six months' period ended March 31 in each year. For April, 1935, our records showed 139,749.

THE CHRISTIAN SCIENCE MONITOR

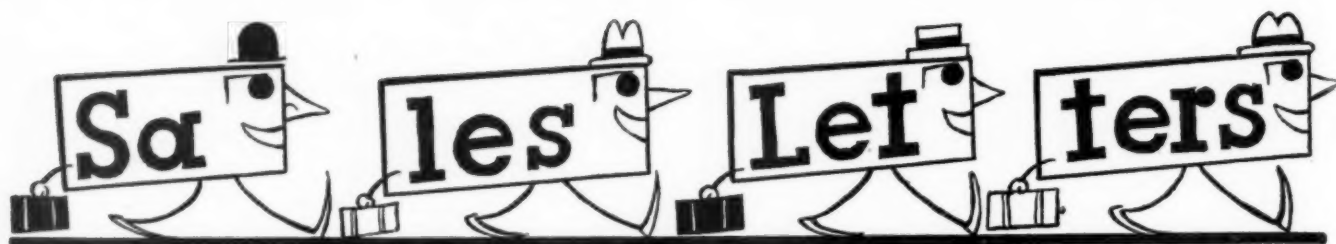
Published by The Christian Science Publishing Society
Boston, Massachusetts

NEW YORK OFFICE—500 FIFTH AVE.

Other Branch Offices: Chicago, Detroit, St. Louis, Kansas City, San Francisco, Los Angeles, Seattle, Miami, London, Paris, Geneva, Milan.



AN INTERNATIONAL DAILY NEWSPAPER



In Taming Lions or Buyers: Keep Their Eyes on One Thing

In December of last year one of my correspondents sent out a message to his trade featuring a special offer on a staple product. The form was a simple double post card, printed in one color, without benefit of art or embellishment. But it sold the goods.

Came the Spring. My correspondent's thoughts harked back to that successful December sale. He decided to repeat the offer. But this time he splurged a bit. The second card bore some illustrations, and it was more attractively printed. But results were decidedly disappointing. In due time I received samples of both mailings. "There is no comparison between these two cards," the disappointed mailer wrote, "yet the cheap one paid; the other didn't. I can't understand it."

My correspondent was right. There really was no comparison between the mailings. But the fundamental difference lay in a detail which he had not considered. The first mailing had been devoted to a single offer—every effort concentrated on one item. In the second mailing this offer had been repeated; but my friend, being a thrifty soul, had decided to add a third panel to the card, and introduce a second item. Space was about equally divided between the two offers. Neither one dominated—and as a result, both suffered. The two offers netted fewer orders than the less pretentious card with its single offer. "Divide the interest, and you subtract from the profits," is a fairly safe mail-order fundamental.

Lion tamers, you know, explain their use of an ordinary kitchen chair by the fact that their out-size cats can focus on only one object at a time. When a lion observes those four legs of a chair, protruding invitingly, he cannot decide which leg to attack, and so remains inactive. It may be that humans are similarly limited. At any rate we do know, from hundreds of tests, that, as a general rule, where two offers are given approximately equal prominence, in a single mailing, both are likely to suffer.

Note especially that limitation, "as a general rule." There are exceptions. Where the items are closely related, they may perhaps be grouped and sold in combination. Thus, two related books may be sold as a unit; or, a mail-order house selling typewriter ribbons may profitably offer carbon paper and other stationery items. Indeed, sometimes such offers stimulate returns, since it is a convenience to be able to order all needed supplies at one time, from a single source.

This does not mean that it is invariably

a bad practice to introduce more than one offer in a mailing. I know many successful operators who crowd envelopes to the limit, offering perhaps a dozen different lures. They know full well that each individual offer is bound to suffer; but they need pick up only an order here, another there, and the aggregate volume is satisfactory.

Sometimes, too, a secondary offer may be enclosed in a separate envelope, with some intriguing caption, and sent along with the master mailing. Thus postage and mailing costs are halved. If the master offer does not appeal, the secondary one may. And in a few cases, *both* may click. No hard and fast rules can be laid down for such procedure. Occasionally the dual offer pays; often it does not. Only a test will tell.

Trick Typography, Low Price and a Chuckle All Combined

I got a chuckle out of this slip which C. M. McClung & Company, wholesale hardware dealers, recently included in a mailing to their trade. Not a bad idea to center attention on a single item:

PLEASE
don't ask our salesmen about our prices
on beds! They are just simply so l

you wouldn't want to take advantage of them!

Linking Up the Chain Letter Fad to Haul off Some Sales

It was inevitable, I suppose, that alert sales-minded individuals should seize upon the chain letter craze as a timely text for promotion letters. Commercial Letter, Inc., of St. Louis, recently sent out a mimeographed sheet, featuring some of their specialties, which at first glance looked very much like the familiar "chain." With it went this note:

"Attached is a letter that looks like a 'chain letter' . . . but it isn't.

"You don't have to send any money. You don't have to make any copies. You don't have to mail anything to five of your friends.

"This letter presents no fantastic, outlandish, get-rich-quick schemes—just a few simple, honest-to-goodness ideas that you can perhaps utilize to good advantage sooner or later . . ."

Another ingenious user of the chain idea was Tested Specialties, who manufacture "On-the-Nose" remedies for dogs. They used, very effectively, a series of chain-decorated mailing cards to the trade. Here is the copy on one:

Forty Per Cent Discount

"This chain was started in the hope of bringing PROFITS to YOU—and to us.

"Copy our name and address on your blank—add your name and address, and a check for \$7.20, and we will send you 12 tubes of 'On-the-Nose' prepaid.

"We will rush the merchandise to you, with display carton and counter card, window posters and folders. You will sell

'On-the-Nose' at \$1 per tube and receive \$12. To carry on the chain—stamp your name on the folders and pass them out. Don't break the chain!"

After the Guest Has Departed This Inn Says "Come Again"

A good many hotels, these days, send "welcome" letters to the guest, at the time he registers. An excellent move, but I rather like the strategy of the Waldorf-Astoria. A personally-typed letter, over the signature of the manager, is mailed to the guest, at his home address, a few days after his departure. And a good letter it is, too:

"Dear Mr. Blank:

"What do you think of the Waldorf-Astoria?

"No doubt you will be asked this question by your many friends who know you have visited us. We, too, would be interested to know if we have served you well. If you were disappointed in any detail, we will welcome your suggestions as to how we may improve our service, as we feel it is largely through the suggestions of our patrons that we can attain the perfection of service we intend.

"Our friends are our greatest asset. We mean to deserve the friendship of our patrons and make it a real satisfaction to them to recommend The Waldorf-Astoria. Your letter or card of introduction will receive our most careful attention, and we hope you will think of the Waldorf as your New York hotel."

This letter, of course, goes only to the guest who is registering for the first time. There are other letters for subsequent visits.

Pros and Cons of Order 6338 Leave Hon. Farley in a Daze

Our sincere sympathy is extended to that eminent philatelist and distinguished citizen, Mr. James A. Farley, Postmaster General of these United States. As duly reported in this alert forum, Mr. Farley some months ago signed Order No. 6338, permitting blanket delivery of circular advertising matter. Promptly the Advertising Distributors Association descended upon the Farley frame with cries of loud lamentation and considerable gnashing of teeth. Letters and telegrams poured in from distraught distributors, urging the immediate cancellation of Order 6338, pointing out that this insidious measure was forcing 75,000 house-to-house distributors to patronize Mr. Harry L. Hopkins' Federal Bread Lines.

All this clamor aroused the lightly dozing membership of the National Council of Business Mail Users, who immediately set up a counter campaign. Now their letters and telegrams go merrily on the way to Washington, assuring Mr. Farley that Order 6338 provides just the service they have sought these many years, and urging him, come what may, to let it stand. It is all quite confusing, and one can scarcely censure the distraught Mr. Farley for pausing in the day's occupation to reflect upon the virtues of the lath-and-plaster business, where at least a man knows where he's at.

SALES MANAGEMENT

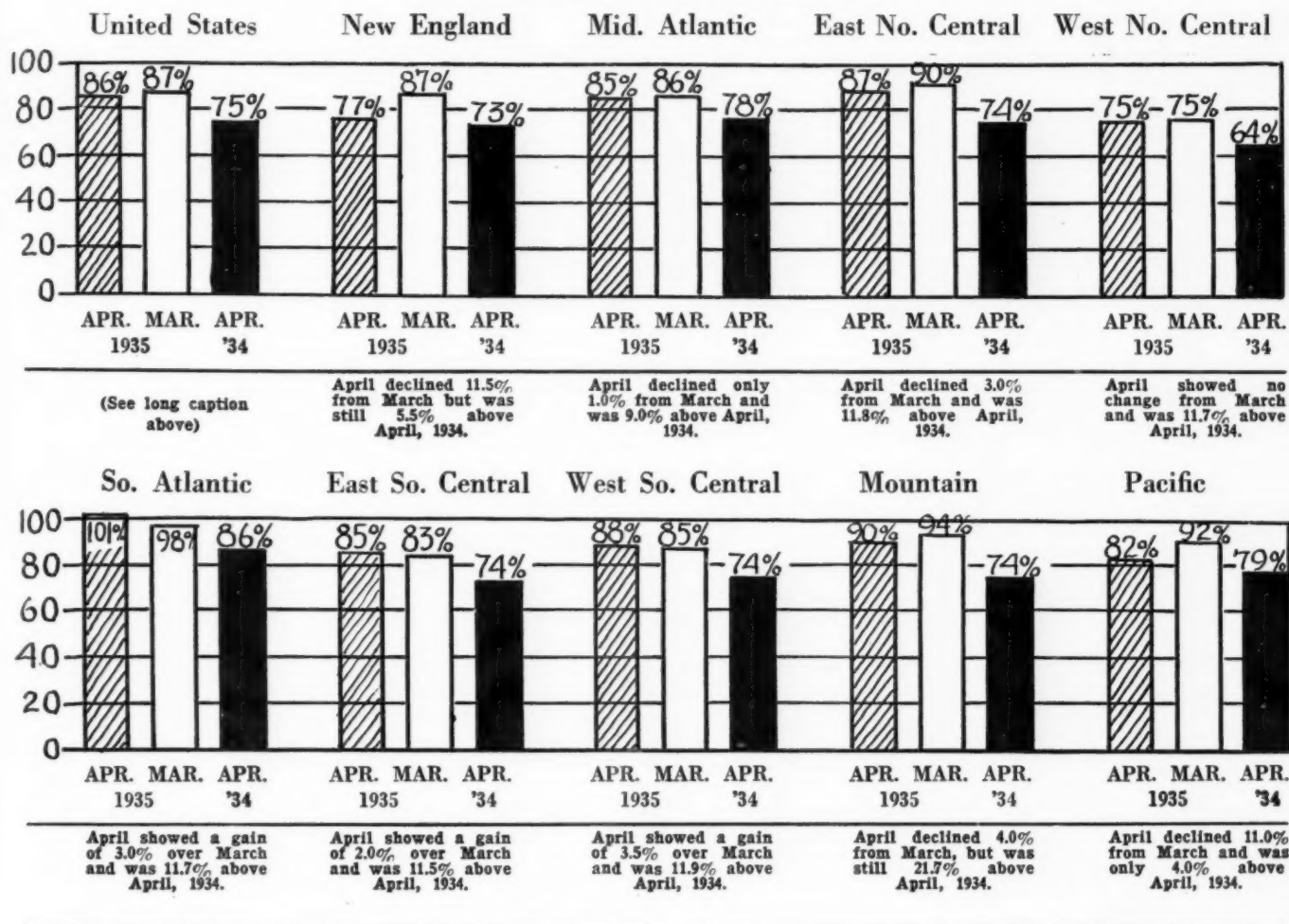
Sales Management's Sectional Index of General Business

(By Geographical Census Divisions. Monthly Average 1923-25 = 100)

BY RAY B. PRESCOTT

(The state of business expressed in terms of percentage approach toward the "normal" average of the years 1923-1925. The horizontal bar represents normal. The designation of districts follows the standard breakdown used by the Bureau of Census. The index numbers used, as determined by Ray B. Prescott, are a weighted composite of bank debits and retail sales.)

UNITED STATES: General business showed a slight decline from March, but is still 11.5% above April, 1934. New England and the Pacific Coast declined 11.0% from March and several other sections showed small losses, while only the South Atlantic and East and West South Central continued to gain. Labor unrest and pending legislation in Washington seem to be creating considerable uncertainty, not only in the industrial sections but also in the farm sections.



Iron Fireman Puts on Big Spring Sales Contest

Salesmen of the Iron Fireman Manufacturing Company, Cleveland, as well as service men and office employees, are engaged in a "Fishing Contest" to sell that firm's automatic heating devices. Prizes for every man, based on credits for each order signed, are a feature of the drive. It ends June 29.

An unusual aspect of the contest is the fact that surveys of prospects' heating needs count for 10% of the credits offered for the sale of the size burner called for in the survey. The company has found that where such sur-

veys are made, at least one sale in ten results. Many men exceed this average.

Instructions to contestants say: "Suppose you want a prize costing 1,000 credits and another costing 800; total 1,800 credits. The job is then to go out and make surveys (requiring Iron Fireman installations) totaling 18,000 credits, or 1,800 on the 10% basis. Get the names of these prospects on the list for the new direct mail campaign immediately, and follow through carefully on each individual sale, as thoroughly covered in the Iron Fireman-LaSalle training. By following this program you'll win the prizes you want and more besides."

The company, to increase enrollment in its sales training course, will use the first 710 points won in the contest to defray the salesman's cost of that course if he has not already enrolled. In addition, numerous merchandise prizes will be awarded. A catalog listing these has been sent to each Iron Fireman dealer and salesman.

New Sugar Campaign Starts

Sugar-using recipes get a big play in the current Jack Frost campaign by National Sugar Refining Company in newspapers and by radio. Standard copy running two or three times a week, started May 26, will be supported by newspaper comics and local air mentions. The campaign covers the nation for the balance of this year.



Letters

The "Old Reliable" Has a Worthy Rival

IN your article "Old Reliable" (Media and Agencies, May 1), you state that the Raleigh News & Observer is the only morning and Sunday paper in the world with more readers than the population of its home town.

It is my impression that this has been true of the Houghton (Michigan) Mining Gazette for over 30 years. Houghton has a population of about 3,700 and the Mining Gazette has a circulation of something over 6,800.

Homer Guck, now with the Hearst organization, was for many years its publisher. Harry W. Ford, once secretary and advertising manager of Chalmers Motor Company and afterward president of Saxon Motor Company, was for a time its city editor and star reporter.

There is an obvious reason, connected with the copper industry, for this condition, and, while the circulations are obviously not comparable, the Mining Gazette can safely challenge the Raleigh News.

W. A. McDERMID,
W. A. McDermid and Associates,
New York City.

Contented Readers Smack Their Lips

BEHOLD—a fan letter. I hope I am among the first. Congratulations on your column, "The Scratch-Pad," which I read in the April 20 issue of SALES MANAGEMENT. I think it's the best column I have read.

G. HARRY CHAMBERLAINE, Advertising Dept., Western Office,
Good Housekeeping,
Chicago, Illinois.

BEING a mere mortal, and more mortal than most, I feel peculiarly fitted to speak with authority on the subject of "scratch-pads." During my brief and incomplete journey around the advertising world I have, at some time or other, had occasion to use every type of scratch-pad conceived by man. With this very intimate knowledge of the subject, I have learned that all such pads have one general deficiency—they are all too small.

I have found the same fault with T. Harry Thompson's "The Scratch-Pad," in the April 20 issue of SALES MANAGEMENT.

Give me a he-man's size scratch-pad every time—a good full-size sheet, and I ask the same thing of Mr. Thompson's "pad"—make it a full page and a regular feature. In my opinion, the men of today are crying for just the sort of relaxation that "The Scratch-Pad" gives in big doses.

FRANK WOLSTENCROFT, Advertising Manager,
Esterbrook Steel Pen Man'g Company,
Camden, New Jersey.

I READ with a great deal of interest your column, "The Scratch-Pad." May I offer my sincere congratulations on the frankness with which you discuss the "Consumers Research Guide." Our opinion is very similar to yours as to the authoritativeness of this publication, but your comment marks the first time I have ever seen this belief in print. I would certainly appreciate receiving 100 copies of your column, so that I can supply our various accounts with copies, in an effort to combat any objection that may be aroused in the prospect's mind due to some article or report he may have read in the "Consumers Research Bulletin."

HARRY WARREN, Sales Promotion Manager,
Caswell, Inc. (Michigan Distributor for G. E.)
Detroit, Michigan.

ONE of the brightest, breeziest, most enjoyable departments in any of the sales and advertising publications is your new department, "The Scratch-Pad," written by T. Harry Thompson.

If this is only a one-time shot, don't fail to make it a regular feature.

ALDEN B. BAXTER, Advertising Manager,
Banking,
New York City.

YOUR "Scratch-Pad" feature is a "wow," if the column in your April 20 issue is a sample of what we can expect to come. I got quite a kick out of it.

CHARLES J. FELDMANN, National Advertising Manager,
The Register and Tribune,
Des Moines, Iowa.

I HAVE enjoyed reading your "Scratch-Pad" column in SALES MANAGEMENT. Some time ago you had a slogan that you thought might be appropriate for a face powder. The slogan was—"Right on the nose."

Well, here's a product that is really named "ON THE NOSE" and I thought perhaps you would like to know about it.

If you have a dog, I shall be glad to send you a tube of this with my compliments.

G. STEPHENS,
Tested Specialties Company,
Chicago.

I WANT to tell you how much I enjoy T. Harry Thompson's column. His style gives a spice of lively interest, without being in the least smart alecky, and often he starts the wheels of thought grinding on grist I had not noticed before. Keep it up.

FRANK R. COUTANT,
Pedlar & Ryan Inc.,
New York City.

While This Reader Voices an Objection

BRUCE CROWELL . . . about your comparison of the engineer of the Twentieth Century Limited and a poor salesman: I feel I can discuss this, as I have been a railroad man and a salesman, and my father pulled the "Century" over the Middle Division when she was an 18-hour train.

If the President of the New York Central used rails of the type used in 1885, split hand switches of that era, and other equipment of like type to carry and guide the Century, do you have any idea that the engineer, no matter how good he was, could make an 18-hour train out of the Century? In your writings you blindly ask salesmen to do this very thing that an engineer cannot do.

Try selling the idea to your customers of giving prompt shipment of orders, and up-to-the-minute service to the customers the salesmen obtain for them, and they will find that, as a whole, they have damned good salesmen. And then your writings will receive consideration, whereas now they reach the waste paper basket as soon as the name is visible.

You do not seem to realize that there are two sides to this successful selling game.

S. A. BLANCHARD,
New York City.

Railroad Solves Mystery of Missing Carpet

MR. NORVELL: I have just read your very interesting article in the current issue of SALES MANAGEMENT, and feel impelled to express my appreciation to you for your favorable mention of our service enroute from New York to St. Louis.

At the same time, may I explain to you about our carpet in Grand Central Terminal, which as a general rule is put down only for the departure of the Twentieth Century Limited. You raised the question as to why the carpet is not also used on arrival. The difficulty in doing this lies in the fact that operating conditions do not always make it possible to use the same inbound track, and it would be necessary to know this definitely in advance because of the time it takes to put down the carpet, which, due to its length and weight, is a bigger job than it looks to be. We also have so many trains arriving at Grand Central Terminal in the early morning that the interval between them is very close, and on certain heavy days it is necessary to get the Century out of the way as soon as it is unloaded in order to permit of other trains using same platform. This difficulty is not experienced with departing trains as they are spaced more evenly.

L. W. LANDMAN, General Passenger Traffic Manager,
New York Central Lines,
New York City.

How Hamilton Regained Support of Jobbers and Dealers

(Continued from page 671)

into an entirely new class of buyers, and did, of itself, have some bearing on the increased sales figures. But it is probably accurate to say that the renewed interest of jobbers and dealers in displaying and *pushing* Hamiltons was the primary factor.

Jobbers and dealers hailed the plan at first with hope—then with belief born of experience. A Milwaukee retailer wrote:

"I attended the Wisconsin Jewelers Convention a few weeks ago, as chairman of the Resolutions Committee. The first resolution we presented was our whole-hearted endorsement of Hamilton's modified plan of zone distribution which was voted and carried unanimously.

"Personally, we are 100% for every policy which helps market goods that a retail jeweler sells and to give those goods proper protection through distribution control. This helps to identify the chiseler, who must be eliminated to prevent a high-grade quality article from suffering through his activity. Fewer wholesalers, in limited territories with close factory cooperation, should help to raise the retail jewelry business to higher standards."

Dealers' Chorus of Praise

An Arkansas jeweler has this to say:

"Your advertisement in the June *Keystone* again reminds me that we wish to place our O. K. on your controlled distribution of Hamilton watches. We like the statements of both the president of your organization and the director of sales, that unfair competition must be eliminated, and, with that idea in view, we can assure you that you can count on us to help promote the sale of Hamilton watches. . . . It is our sincere belief that we retail jewelers more deeply appreciate your controlled distribution than we will ever be able to make you realize."

From a California retailer:

"We are well pleased with the Hamilton policy of distribution . . . we intend to double our stock of Hamiltons and to advertise and push them to the best of our ability."

From a New York dealer:

"We wish to assure you that, in our opinion, you have done much to put heart in our industry, and we feel positive all reputable retailers will join us in wishing you marked success."

An Omaha dealer reports "agreeable surprise" with the increase both in number and dollar volume of Hamilton watches over the same period for the past few years. "I am quite well satisfied that the plan you have adopted will result in eliminating most of the trade evils which existed under the old plan of distribution," comments a New Jersey merchant. A Pennsylvania

dealer writes to say he intends to push the sale of Hamiltons harder than ever before.

The jewelry trade's official stamp of approval was given to the "Hamilton Plan" of distribution a few months after its inauguration, by the two national associations of retailers—the National Retail Jewelers' Association and the National Association of Credit Jewelers—who passed formal resolutions commending Hamilton at their annual conventions. Most of the important state and local trade organizations followed suit, officially praising Hamilton for giving dealers profit protection.

Sales Jump in Four Figures

"As for the jobbers," Mr. Atkinson points out, "few have reported increases as low as 100% over the year before. Here in the South is one whose sales (for the period May-December, 1934, over the corresponding period of the year before) are up 1,400%. A Chicago jobber's sales are up 75% in spite of the fact that he is now selling Hamiltons in only one-third the territory he formerly had. A small local jobber in Ohio shows 700% sales increase. Here's still another jobber, whose territory is but one-fifth as big as it formerly was, whose sales have jumped from \$99,000 to \$168,000. Out of the total number of jobbers handling the line, there are 10 who had the biggest Hamilton year in 25 years. And, finally, as a reflection of all this, the factory at Lancaster is employing more people than ever before in its history."

Under the impetus of the new working arrangement, jobbers have taken a new interest in pushing the Hamilton line. For example, one who boasted that his salesmen never had to carry samples of anything that he sold has recently given his men a Hamilton sample case.

All sorts of interesting by-products have already developed out of the controlled Zone Plan. Hamilton had never known precisely how much of its business came from various types of outlets; jobbers' daily reports for the past year give them detailed sales figures showing the kind and amount of business done by credit stores, cash stores and department stores.

In the course of market analysis, the need for more selective sales work was clearly brought out in the discovery



IT'S PROFITABLE TO PLAY

AT

Chalfonte- Haddon Hall

Knowing when to rest and play is just as important to success as knowing when to work. At Chalfonte-Haddon Hall we try to fill such sojourns with just the sort of amusement and rest you need.

For action, step onto the beach at our door. Breathe deep and battle the breakers. Visit among the smart cabanas and drop in at the Surf Club Grill for lunch. Then back to the briny . . . but save some time for fishing, sailing, tennis and golf.

Rest is equally enticing at Chalfonte-Haddon Hall. Here even in the height of the season you can always find peace and luxurious seclusion—in your own cheerful room, in the cool, spacious lounges, or out on the breeze-swept Ocean Decks. Modern health baths. Marvelous meals.

Yes, it's only good business foresight to play here by the sea. And it doesn't cost much. Rates are moderate on the American and European Plans. Special weekly rates.

Leeds and Lippincott Company

ATLANTIC CITY



The Warmth Of Our Welcome is unbounded—old-fashioned, home-like hospitality—delightfully furnished sunny outside rooms, each with bath. Plus the convenience—every worthwhile activity in New York at your door—the shops and department stores, the theatres and great movie palaces; near the subways, railroads and ferries—a bus terminal in the building. Daily rates: Single \$2.50-\$4; Double \$3.50-\$5.

OUR RESTAURANT

is justly popular for its meals prepared in true Southern style by women cooks. Breakfast 25c, Luncheon from 50c-65c, Dinner 85c-\$1.25.

HOTEL DIXIE

42nd-43rd STS., JUST WEST OF B'WAY
NEW YORK

1400 ROOMS
with BATH, RADIO
\$2.50
from 2 single
AND \$3.50 DOUBLE

Whether you come to New York for business or pleasure, you'll find the Lincoln, one of Gotham's largest and newest hotels, offers you superior accommodations for your hotel dollar in New York.

- One block to Times Square... 3 blocks to 5th Avenue... 8 minutes to Wall Street... 69 theatres within 6 blocks.
- 32 stories of sunshine... three fine restaurants to choose from

NEW YORK'S 4 STAR HOTEL

★ ★ ★ ★

Hotel
LINCOLN
44th to 45th Sts. at 8th Avenue
NEW YORK

that 67% of the total Hamilton business came from 93 metropolitan areas. To raise this figure to 75.2%, it was necessary to add 98 more towns to gain a total of 191. Eighty-two three-tenths per cent came from 376 cities, and so on. All of which will have a marked bearing on future Hamilton advertising and distribution policies.

It was likewise discovered, during calls on retail dealers, that one merchant might have as many as six or more jobbers' catalogs containing the data on the Hamilton line—special pages which had, of course, been furnished to the wholesalers by the Hamilton advertising department. Having decided that this involved costly and needless duplication, the company switched over to a policy of printing its own catalog and distributing it to a carefully selected list of dealers whose size and credit rating made them desirable as customers.

Besides the company's direct mailings to dealers, the Hamilton advertising department is producing a series of non-duplicating mailing pieces for wholesalers' mailings to their dealer-customers. The expense is borne by the wholesaler, and 34 of the 39 wholesale distributors are cooperating in this promotion effort.

Zone Plan Gives Close Touch

Under the zone distribution plan, Hamilton has assumed a much closer relationship with its wholesale distributors. District sales managers regularly hold zone sales meetings of wholesalers and, at the annual sectional meetings held by Mr. Atkinson and Mr. Halligan, zone distributors are taken into the company's confidence fully. Future plans are discussed frankly and the wholesaler's opinion and advice is solicited.

An "all cards on the table" policy emphasizes the wholesaler's responsibility in the distribution of Hamilton watches and makes him an integral and important part of the company's sales organization.

The "Letter of Designation," signed by each wholesaler, sets forth Hamilton's policy in detail, and makes the wholesale distributor entirely responsible for merchandising conditions within his territory. No competitive restrictions are placed on distributors and, while all of Hamilton's 39 authorized wholesalers handle competing watch lines, Hamilton is getting a brand of sales representation that would be envied by many manufacturers who use exclusive wholesale dealers.

Several points stand out in any analysis of reasons why the Hamilton plan took root so deeply and produced

results so promptly. First of all, the philosophy behind the plan was sound: The belief that any manufacturer, in Hamilton's position, sponsoring a strictly quality product which must be sold through jobber-dealer channels of distribution, could grow and profit only as his dealers and wholesalers grew and profited.

The trade evils which had wiped out distributor profits therefore had to be eliminated. But it is one thing to agree to such a principle and another to muster the courage to lay out a concrete program for putting it into practice and deliver the whole to customers in the form of an ultimatum. In carrying the plan to the jobbers, Hamilton adopted a completely uncompromising spirit; the jobbers had to accept the thing *in toto* or not at all. If and when they accepted it, there could be no hedging, no corner-cutting, no chiseling, no overlooking or misinterpreting of the rules of the game.

Ground Well Prepared First

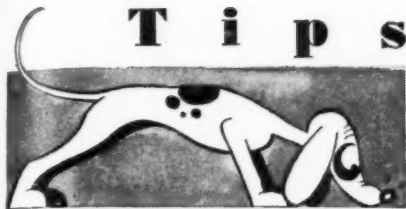
A firm and positive attitude on the part of the sales management in their presentation of the new set-up made the jobbers listen to it; the invincible collection of facts backing it up made them respect it. And the fact that the program was definitely conceived in their interests gave them the impulse to embrace it. It is hard to overestimate the importance of the personal selling job that preceded the initiation of the plan; any management engineer can cite dozens of cases where the basic plan for doing a sales job was sound, but the failure that ensued was due to poor salesmanship behind the plan and lack of vigorous, businesslike administration of its details.

"One thing that struck us as being particularly interesting," Mr. Waddell commented, "was the demonstrated vitality of a well-advertised name, even under the rigors of a depression period when the product (along with practically every other nationally advertised quality item) was undergoing a terrific strain. Even during the time when dealer sales of watches were at an all-time low, and everybody had practically forgotten the meaning of the word 'profit,' the dealers still maintained their respect for the name 'Hamilton'—even, in fact, communicated to us their feeling of regret that a product so long known and so highly esteemed should have come into such an unfortunate estate.

The vigorous rebound which took place under the impetus of the new zone plan is certainly partially explainable through the existence of this brand-name vitality."

SALES MANAGEMENT

T i p s



Booklets reviewed below are free unless otherwise specified, and available either through this office or direct from the publishers. In addressing this office, please use a separate letterhead for each booklet requested, to facilitate handling. The address is SALES MANAGEMENT Readers' Service Bureau, 420 Lexington Avenue, New York, N. Y.

Surveys for which a charge is made are so indicated. Requests for these, accompanied by the purchase price, should be mailed direct to the publishers.

Relief Families Basis of New Study by Los Angeles Times

A market study based on the economic effect of unemployment, exposing the tremendous number of families on relief, yet revealing with gratifying clarity the buying power which exists and which is available to advertisers in the Los Angeles market, has just been released by The Los Angeles Times. Unique among market studies because of this frank acceptance of the condition of thousands of families on relief, the study is one which marketing executives should welcome. Since every market in the country exists today in a condition which is literally part slave, part free, the important factor of distribution will be greatly facilitated as more and more markets put the finger on these relief sore spots and reveal to business men the exact buying power which is available to advertisers.

The Times, under the direction of W. R. Ferrell, and with the assistance of Ernst & Ernst, made the survey with the cooperation of the County, Federal and State relief agencies of Los Angeles County. The normal charity load of the county (1926-

29) was found to be 19,000, or 3% of the population. This in itself is a larger load than normal, compared with other markets. In the 1920-30 decade, the county population increased 149%, but the charity load increased 240%—due to the influx of so many families who were not able to make contact with jobs and to finance themselves, yet who were drawn to Los Angeles as a place where living conditions were thought to be favorable. In 1934, the charity load reached the total of 260,206 families, or 40% of the population. However, the 60% of families not on relief are shown in the survey to represent 75% of the 1930 buying power. And this buying power exists as a complement to a high ratio of middle class and executive income groups.

The origin of the relief families by income groups is shown by bar charts as follows: Income under \$1,500, 80% on relief; \$1,500-2,000, 25% on relief; \$2,000-3,000, 34% on relief; \$3,000-5,000, 21% on relief; \$5,000-10,000, 8% on relief; \$10,000-20,000, 5% on relief; \$20,000-up, 3% on relief. In other words, as would be presumed, but as is here shown from the records, both the bulk and the percentage of relief has come from the lower income brackets, leaving the large numbers—and income volume—of the middle and upper income families intact, from the point of view of marketeers.

It is impossible to do justice to the survey in this brief comment. In addition to the general breakdown here discussed, a large map reproduces each district of the county, showing relief and non-relief families; and, in conclusion, each district

is mapped and described in detail, showing the value of the district as a market, the type of homes, and the circulation of The Times. Copies available through E. A. Hartford, The Los Angeles Times, Los Angeles.



to the WEST INDIES the CARIBBEAN and SOUTH AMERICA

17 DAYS .. \$175 to Havana, Jamaica, B. W. I., Panama Canal, Costa Rica. Ample time to visit Panama Canal and San Jose, Costa Rica capital. Every Thursday.

18 DAYS .. \$165 to Jamaica, B. W. I., Panama Canal, Colombia, South America. Optional shore trips. Every Saturday.

10, 11 and 13 DAYS .. \$115 up ALL EXPENSES to Havana, Jamaica, or Havana and Jamaica. Weekly sailings.

Sailings from New York. No passports required. Superior accommodations only slightly higher.

Apply any Authorized Travel Agent or United Fruit Company, Pier 3, North River, or 632 Fifth Ave., at 51st St., New York City.

GREAT WHITE FLEET

SALES CONTESTS

Planning and Merchandising

Write for our 60-page Merchandise Prize Catalogue, and brochure, "Information on Sales Contest Operation."

SALES CONTESTS, INC.
10th Floor American Bldg., Dayton, O.

Personal Service and Supplies

Classified Rates: 50c a line of seven words; minimum \$3.00. No display. Cash Basis Only. Remittance Must Accompany Order.

EXECUTIVES WANTED

FROM COAST TO COAST

ON ACCOUNT of the past declining business period, many professional men with excellent records, are not working at their proper vocations. At this time of improvement, they should attempt to return to their proper places. Confidence guaranteed. Refund provided for. A moderate retaining fee may be paid to finance campaign. Send name and address to R. H. Bar and Company, 424 Book Building Detroit, Michigan.

SALARIED POSITIONS \$2,500 to \$26,000. This thoroughly organized advertising service of 25 years' recognized standing and reputation carries on preliminary negotiations for positions of the caliber indicated, through a procedure individualized to each client's personal requirements. Several weeks are required to negotiate and each individual must finance the moderate cost of his own campaign. Retaining fee protected by a refund provision as stipulated in our agreement. Identity is covered and, if employed, present position protected. If you have actually earned over

\$2,500, send only name and address for details. R. W. BIXBY, Inc., 118 Delward Bldg., Buffalo, N. Y.

POSITION WANTED

SALES AND BRANCH MANAGEMENT

SALES EXECUTIVE with fifteen years' experience in sales and branch management desires connection with growing organization. Now employed. Familiar with selecting, training salesmen, developing markets. References and records gladly submitted. Detroit area preferred but not imperative. Address Box 430, SALES MANAGEMENT, 420 Lexington Avenue, New York City.

TO SALES EXECUTIVES

A curtailment of business activities makes it necessary for my secretary to seek a new connection. Without reservation I recommend this young lady to any marketing executive seeking a competent secretary. Ten years as secretary to the vice president and general sales manager of a nationally known organization tells the story of her experience. Address Box 431 SALES MANAGEMENT, 420 Lexington Avenue, New York City.

LABELS

Printed in red or blue ink on white gummed stock. In rolls. Your copy or arrangement. This is actual size.

5000 for \$3.00

EVER READY LABEL CORPORATION
141 East 25th Street New York City

HAYFEVER

ASTHMA and SUMMER COLDS are unnecessary. Complete relief only \$1.00 Postpaid. Nothing else to buy. Over 40,000 HOLFORD'S WONDER INHALERS sold last year alone. Mail \$1.00 today for full season's relief to THE DANDEE CO., 252 HENNEPIN AVENUE, MINNEAPOLIS, MINNESOTA, or write for Free Booklet.

PHOTOSTATS

COMMERCE PHOTO-PRINT CORPORATION

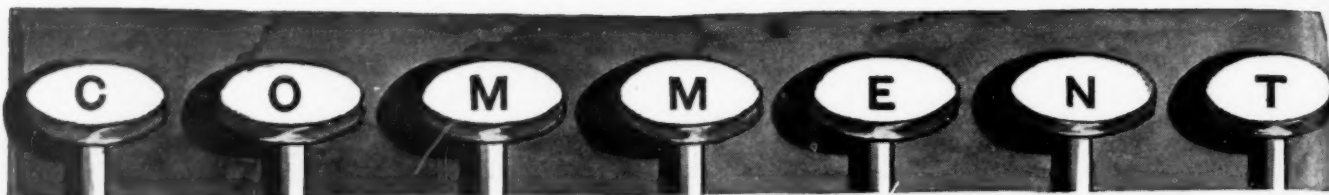
I WALL STREET

233 Broadway 56 Pine St.
80 Maiden Lane 33 W. 42nd St.
Digby 4-9135-6-7-8

TORONTO
MONTREAL
WINNIPEG
LONDON

GIBBONS KNOWS CANADA

REGINA
CALGARY
EDMONTON
VANCOUVER



SUPREME COURT SPEAKS: The highest court of the land has now spoken its piece about NRA, farm mortgages and enforced retirement of Federal Commission appointees. Undoubtedly these decisions stand as a milestone—a turning back from the New Deal principle of *regulation* of business, people and States through the Executive branch to the principle of three-way government as provided in the Constitution, through legislative, executive and judiciary divisions. In these days of fairly widespread socialistic thinking, it is possible, but not probable, that the Constitution can be overridden by amendment or by the drafting of new laws. . . . Any bureaucratic administration must produce economic prosperity to avoid being cordially hated and rather rudely thrown out of office. This sort of thing happened even before the advent of the New Deal. In the end, *the profitability of business governs the political situation*, because it, and it alone, really gets at the roots of such fundamentals as unemployment, cost of living, standard of living, and human content. . . . Meanwhile, however, the business of the nation is faced with the very difficult problem of unscrambling the structure of NRA; also with solving, in a more Constitutional way, the problems which—in an objective sense, at least—NRA sought to solve.

BUSINESS A GUINEA PIG: In a talk made this week before the Sales Executives' Club in New York, Colby M. Chester, president of General Foods Corporation, sounded a note which is readily understood by many business men but not so clearly by certain well-meaning minds in Washington. Mr. Chester said in part: "Efficient sales executives do not organize a merchandising program without first trying it out and finding its structural weaknesses and its workable parts—then revising, elaborating and discarding before launching a nation-wide campaign. The farsighted advertiser attempts a test campaign in one community before spending large sums on copy appeal of uncertain pulling power. The established manufacturer does not retool a factory, buy carloads of untested raw materials, and start full production on strange new merchandise which no one knows for certain is serviceable or desired by the public. . . . Candor is what business asks of Washington and a willingness to work shoulder to shoulder in rebuilding this empire of pioneers. It wants to call a halt on the government's making an experimental guinea pig of business. It wants reliance on proved or tested methods for curing industrial and economic ills. Uncertainty confronting business these days explains in part why storekeepers do not buy more goods and new fixtures; why factory owners do not order better machinery, build buildings, or make more repairs; why many people do not build new homes or at least make

repairs; why manufacturers do not increase their advertising and promotional work, enlarge their sales forces, and go to the expense of bringing out new products and improving old ones." . . . There is much truth in what Mr. Chester says. Whether business is wholly right or wrong in its attitude toward certain New Deal experiments is not the significant point. While business is afraid of experimentation with inflation, and other major changes from practice of the past to theory of the future, it will not proceed with confidence. Therefore, the sooner the die can be cast and Congress adjourns, the better—and, insofar as recovery sponsored by private business is concerned, the fewer new experimentations of a major sort, the better. The Administration should not force business to spend the remaining months between now and November, 1936, just in adjustment to new laws. Otherwise even the guinea pig may run short of guineas.

HOUSING PROGRESS: Careful perusal of building statistics reveals forward progress on a fairly nationwide basis. Residential construction permits for 788 cities exceeded \$23,000,000 in April, 1935, as compared with slightly over \$10,000,000 in April, 1934. Permits for other purposes show a comparable gain in April from about \$13,000,000 for 1934 to nearly \$20,000,000 for 1935. . . . A still closer check-up shows that a large proportion of the residential construction is represented by low-priced single family homes, ranging from a low of just under \$3,000 to a top of just under \$10,000. FHA financing, and its equivalent supplied through private financial channels, is stimulating this relatively low-priced home field in appreciable degree. Prefabricated houses are coming nearer and nearer toward becoming a reality from the standpoint of quantity production and sale. Conventional houses are being constantly refined from a design and construction cost standpoint to minimize the dollars required to own a home, yet to "maximize" the cubic contents and modern features. . . . This trend deserves much thinking on the part of business men engaged in the real estate, contracting, equipment and material business, and in many other lines as well. In the new building era practically the entire population will come to be satisfied with relatively small houses containing a wide variety of new, special service features, such as air conditioning, fire-proofing, low maintenance cost, etc. It is undoubtedly significant that many of the large corporations are now actively interested in this new trend in building, and many important industrialists, including men such as Owen D. Young, are now devoting real attention to what they visualize as "The low-priced modern house—America's newest super industry."

Ray Bill